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GANDHIAN ECONOMIC  
PHILOSOPHY

BEPIN BEHARI

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# **GANDHIAN ECONOMIC PHILOSOPHY**





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*By*

**BEPIN BEHARI**

M.A. (Pat.), B.Sc. (Econ.) London,

*Senior Research Officer, Planning Commission, New Delhi.*



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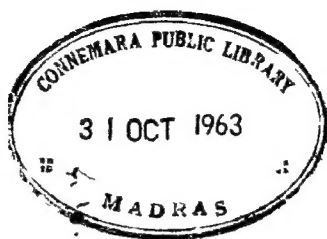
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*Dedicated*

to

THE LORD VAIVASVATA MANU



## PREFACE

The purpose in writing this monograph is two-fold. Firstly, it attempts to examine the possibility of incorporating Gandhian economic thought in modern textbooks on economics. Secondly, it tries to present a synthesis of economics and other social sciences. Both these objectives are difficult to achieve. There has also been a feeling in some quarters dealing with research foundations that much work has already been done on Gandhian thought; all that needs to be presently done is to propagate that which has already been written on the subject. I cannot judge the appropriateness of this view. What I have attempted to do here, despite inadequacy of time and energy at my disposal for such a comprehensive study, is to present an introduction to Gandhian economic philosophy. I do not know how far I have succeeded in this endeavour, but I sincerely hope that the present study would be of interest to Gandhians in particular and economists in general.

I feel that Gandhi was not an economist in the narrow sense of the term. In fact, economics is becoming so much specialized and complex that even trained economists feel hesitant in claiming such a title for themselves. But there is much in Gandhian thought which is relevant to this subject. Gandhi was not interested in Economic Science as such, but as it attempts to study certain aspects of human beings and he was intensely interested in problems of living, many of his views are of interest to economists. On occasions, Gandhi had wandered much inside the realm of economics. His intrusion in this field of knowledge, at times, had been very refreshing. This does not imply that Gandhi could be categorized as an economist; in fact, that would be reducing his stature as a *man* interested in the welfare of his fellowbeings. Yet, to ignore his contribution to Economic Science may impoverish this expanding branch of human knowledge.

There is also another aspect of this problem. I have, despite my training and background as a professional economist, often wondered, sometimes perturbingly, whether economics has a separate entity from other social sciences. The wider perspective of Economic Science in which different branches of human know-



ledge concerning the nature and behaviour of mankind merge together, has been recognized by several economists. Is economics an extension of sociology or of mathematics? Can we isolate the economic behaviour of an individual from his other activities? While deciding the appropriateness of any project for economic development, can a government abandon other considerations of value judgement? These are difficult questions to answer. If such delimitations of economic motives and activities are not possible, what is, then, the use of such a study? Even "light-bearing" subjects must have some direct or indirect use in solving certain human problems.

A synthesis of economics with other social sciences may add to the richness of Economic Science. In this context, the contribution of Indian economic thought in general and Gandhian economic philosophy in particular, may be significant. Indian approach to social problems is unique in many ways. It is based on the assumption that the possibility of growth and splendour of man is unlimited—an idea reinforced by modern researches in para-psychology. That being so every activity of man must aim at that evolution. Economic activities of an individual or of the State must attempt to assist this growth. It is hoped that a synthesis of economics with other social sciences might reorient economics in such a way that it could subserve the changing concept of human personality and its future destiny. Economics can be useful in future only if it takes into account an integrated view of man.

Presently, the need for such a study is great. Several countries have attained political independence. In their early enthusiasm and vigour, they may like to adopt the Western outlook on life and framework of society as the model for their economic transformation. But this would be suicidal. By following the Western pattern of life and economic activities, the individual distinctiveness of these nations might be lost. No system can be transplanted on a foreign soil without necessary modifications. From this standpoint, it is necessary for new countries to reconsider their economic and social values before deciding the pattern of growth they should aim at. It is hoped that the present study may be of interest to many developing countries. This may enable

them to suggest a certain shift in emphasis in their industrial programmes with a view to ensuring long-term welfare and happiness to their peoples.

This book is divided into three parts. Part A contains two chapters. Chapter I deals with the need for a socio-economic synthesis—the need for an eclectic approach to Economic Science. An attempt is made in this chapter to show the possibility of integrating economics with other social sciences, and the way the Indian economic thought has done it. The Gandhian contribution to Economic Science is mostly from this eclectic standpoint. Chapter II gives some details of Gandhi's biography, which though a common knowledge to many, needs to be recorded here for two reasons. Firstly, Gandhi's life has been very dynamic, natural and inspiring. Even at the risk of repetition some of the biographical notes of Gandhi's life are helpful in giving the individual necessary strength to face the ordeals of daily life. Apart from that, Gandhian economic philosophy is the outcome of his experiences in life in different parts of the world. Secondly, the book might fall into the hands of those who have had so far no opportunity of studying the biography of this great man. For such readers this chapter may be of interest in more than one way. It is hoped that this section would provide the necessary background to enable the reader to appreciate the particular standpoint from which this study has been undertaken. Part B contains seven main chapters giving the contributions of Gandhi to economic problems. Subjects like the scope of economics, economic laws, nature of profit, capital and exploitation, the structure of economic organizations—rural as well as industrial, the problem of full employment, cost and output and the theory of wages are discussed in several chapters of this section. The last chapter—Chapter X—in fact, is a recapitulation of the earlier seven chapters; it summarises the basic tenets of the Gandhian economic structure. This section has a special function to perform. It attempts to indicate the lines on which Economic Science may have to be moulded in case an integrated approach synthesizing it with other social sciences, specially ethics and metaphysics, has to be made. Part C of the monograph contains three chapters. The first one reviews the existing literature on the subject. For this purpose, only some representative

writers have been chosen; this has no reflection on the quality of other writers who have made significant contributions, to the propagation of the Gandhian thought. The second chapter discusses the relationship between Gandhian economic philosophy and the Indian tradition. The last chapter reviews the progress of Indian economic transformation since independence in the light of Gandhian ideals. A glossary of Indian words used in the text is also given for the benefit of those unfamiliar with such words.

The present study began about ten years ago, at the instance of a well-read but humble Gandhian worker. Shri Sukhdeo Prasad of Champaran, Bihar, who knows the hardships of Indian peasants' life and has sacrificed practically all his property for the welfare of the poor, suggested to me the need for studying Gandhian economic philosophy. He offered me the use of his valuable library containing many of the old writings of Gandhi. Later on, when I moved in search of a job to New Delhi, I met Acharya Shriman Narayan, the then General Secretary of the All India Congress Committee, and Shri G. V. Mavalanker, the then Speaker of the Lok Sabha. They encouraged me to pursue the subject. Acharya Shriman Narayan devoted many of his morning walks with me explaining to me the different aspects of Gandhism. Shri Mavalanker, in spite of his ill health at that time, went through portions of the earlier version of the manuscript and discussed with me the different emphasis necessary for understanding Gandhian thought. I am sorry Shri Mavalanker is no more to watch the fruition of his guidance. While working on the manuscript, I also came across Mr. H. S. L. Polak and Shri Chaganlal Gandhi. I had earlier met Mr. Polak in London, but when he came to New Delhi in 1956, he spent hours telling me his experiences with Gandhiji. It was interesting to note that Gandhi influenced Mr. Polak to join the Theosophical Society in Johannesburg telling him that the Society made a Jew a better Jew as it made a Hindu, a better Hindu. Mr. Polak remained a member of the Theosophical Society till his end. Gandhi also influenced Mr. Polak to come to India at the turn of the present century and to work for the Indian cause. I am sorry to record the sad demise of Mr. Polak; in his death I have lost another of my guide and well-wisher. Dr. Rajendra Prasad had very kindly agreed to consider writing a foreword to this book, but

## PREFACE

his passing away in December 1962 has debarred me from having this privilege. I shall always remain in gratitude to him. I am also grateful to Dr. K. S. Krishnaswami, Chief of the Economic Policy and Growth Section of the Planning Commission for encouragement given by him in many ways. My colleague Shri M. V. Narwani has been good enough to discuss the subject at length at various stages of its development, and I have profited much by his suggestions. Shri Dhanjal has very kindly prepared the two charts incorporated in this book. My wife Shrimati Madhuri Behari, who has always encouraged and assisted me in such studies, took great pains in preparing the index. I am indebted to all these persons and to many others whom I have not mentioned by name. But I hasten to add that none of these persons is in any way responsible for the views expressed here, or for any shortcomings of the book. I alone am responsible for these.

Yojana Bhawan, New Delhi  
August 15, 1963

Bepin Behari



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## Part A

# BACKGROUND

*"I teach you the Superman. Man is a thing to be surmounted. What have you done to surmount him?"*

— FRIEDRICH W. NIETZSCHE

## Chapter I

### NEED FOR A SOCIO-ECONOMIC SYNTHESIS

Any justification for incorporating Gandhian ideas of a synthesis between economics and other social sciences in the contemporary economic literature should not depend upon his not having published any dissertation on the subject, for which, in fact, he had no leisure; rather it would depend upon his contribution in giving a new concatenation to the relationship. Gandhi did not present his economic logic in precise technical terms. But he was a 'spokesman for the conscience of all mankind' which was suffering from serious deprivations, poverty, squalor, humiliation, violence and hatred and his chief mission was to redress the sufferings of the masses. Gandhi was impelled by an intense spiritual urge to establish proper dignity of man. For this, he worked incessantly throughout his life and died while engaged in his mission. He could not find any spare time either to comment on the Marxian interpretation of history, which he very much wanted to do, or to argue out his own case. He did not involve himself in academic discussions; he was always engaged in solving practical human problems. In his activities and in his approach to those problems, he was not guided by any parochial considerations. He transcended all national barriers—a downtrodden African was in no way less significant to him than a slum-dweller in London or an ostracized untouchable in India. He believed that the essential nature of man, which is divine in character, cannot be concealed by the colour of his skin or by the exploitation perpetrated in a community. It permeates, like fragrance, everything he does. The spirituality with which Gandhi attempted to integrate the mundane activities of everyday existence gave him a unique position. Albert Einstein said, "In our time of utter moral decadence, he was the only statesman who could stand for higher human relationship in the political sphere." Gandhian morality was not escapist. He faced boldly the general humdrum of modern superficial and mechanical existence and, out of its turmoil, evolved

a philosophy of life which was intensely spiritual as well as highly practical. His philanthropy, his religion and his inspiration to suffer for the good of the masses were based on his conception of that Eternal Life, which he called Truth, the Life Universal. Evidently, when economics is related to this way of life, it becomes 'Meta-Economics', whose subject-matter goes beyond the domain of 'Mankind in the ordinary business of life', and embraces within its fold cravings, aspirations and the ultimate value judgement relating to everlasting happiness—bliss—which influence even 'the use of material requisites of well-being'. True economics, Gandhi said, stands for social justice and moral values.

### **Ethical Basis of Economics**

A world pre-occupied with eking out a livelihood, with competition so fierce, has very few individuals with the necessary leisure or willingness to contemplate over ethical problems. Almost all modern sciences have abandoned their moral concatenation. Economics follows the same course. The Marshallian definition of economics stresses the importance of *material* requisites of well-being. The contention that the well-being of a community need not necessarily depend upon the magnitude of wealth available to it, and that there may be a new dimension to the concept of welfare itself, has not so far been deliberated upon by the economists. Even the definition of 'well-being' has been blissfully left vague. Who can deny the absence of any universal yardstick by which the welfare of any economic pursuit could be determined? Even if economics is considered a Pure Logic of Choice—the form assumed by human behaviour in disposing scarce means—value judgements may intervene to contribute the motive force for deciding the desirability of different ends. Product differentiation thrives on irrationality of human behaviour, and still in almost all text-books on economics, several chapters are devoted to it. Why should economists not condescend to acknowledge the impact of moral values in determining the economic activities of a nation? Modern psychology has accepted the validity of non-pecuniary factors of motivations. Why not accept these influences in determining the general beha-



viour of man in his ordinary business of life and modify the aim of Economic Science as "the study of man in his ordinary behaviour of earning his livelihood so as to fulfil the purpose of his existence"? Definitions of economics have been variously altered at different times, and in fact, to cling to any one of them would petrify the dynamic nature of the science. Every individual desires to live a fuller life, and his everyday activities are directed, consciously or unconsciously, towards that goal. Economists may do well to include that in their orbit. In doing so, they may have to traverse the *terra incognita* of metaphysics which, so far, has remained forbidden for them. There is no harm in exploring new fields. The Indians, at least those who have knowledge of their tradition and acquaintance with their scriptures and the ancient goal of life, have expertness in integrating metaphysics with the material welfare of the community. A study of this relationship may even enrich modern economics. Gandhi thought of economics in this perspective. Probably, it may be desirable to consider what Gandhi intended to say about this inter-relationship, and then, if it fails to satisfy the canons of rationality, reject it.

Attempting to demarcate the jurisdiction of metaphysics and economics, Professor Henry Fawcett, in 1863, indicated that "the springs of life's action are numerous; society is held together by a vast aggregation of motives and sympathies. Wealth is necessary to man's existence"<sup>1</sup> and "if a political economist considers that the aim and end of life is the accumulation of wealth, then the individual ought to be blamed, and not the science which he studies".<sup>2</sup> Professor Fawcett, however, justified the parochial approach of an economist; "Political economy, if kept within its proper limits, does not provide a code of social ethics which will enable us to decide what is right or wrong, and what is just or unjust."<sup>3</sup> The subsequent generation did not wholeheartedly subscribe to this view. Alfred Marshall foresaw the possibility of an incursion of ethical considerations in the application of the

<sup>1</sup> Manual of Political Economy: Henry Fawcett (Macmillan, London, 1888) (First edition published in 1863), p. 4.

<sup>2</sup> Ibid. p. 5.

<sup>3</sup> Ibid.

laws of Economic Science to achieve practical results. If economics is related to human action, it will have to relinquish its partial approach to become effective. Professor Marshall has stated,

“Economic laws and reasonings in fact are merely a part of the material which Conscience and Commonsense have to turn to account in solving practical problems and in laying down rules which may be a guide in life.

But ethical forces are among those of which the economist has to take account. Attempts have indeed been made to construct an abstract science with regard to the actions of an ‘economic man’, who is under no ethical influences and who pursues pecuniary gain warily and energetically, but mechanically and selfishly. But they have not been successful, nor even thoroughly carried out. For they have never really treated the economic man as perfectly selfish: no one could be relied on better to endure toil and sacrifice with the unselfish desire to make provision for his family; and his normal motives have always been tacitly assumed to include the family affections. But if they include these, why should they not include all other altruistic motives the action of which is so far uniform in any class at any time and place, that it can be reduced to general rule?”<sup>4</sup>

Professor Lionel Robbins of the London School of Economics experiencing a need for demarcating the parameter of Economic Science, accepted economics as neutral which did not pass any stricture on ultimate values of life, but he apprehended the involvement of economists with moral propriety. Economists are human beings; they have their personal predilections and value judgements. They have their opinions on the validity of ends. These opinions will inevitably have their repercussions on the determination of the specific direction that could be followed in arriving at a certain goal. Economics might be neutral, but not the economists. They have their emotions and intellect which cannot be isolated while they formulate their views on vital

<sup>4</sup> Principles of Economics: Alfred Marshall (Macmillan, London, 1938) (First Edition published in 1890), p. vi.

subjects of human welfare. 'Botany is not aesthetics, yet the Botanists may have views of their own on the lay-out of gardens'. Similarly, economics is not ethics, yet the economists may be ethical in their approach. There is a region where economics and ethics overlap.

Whether there is any moral approbation for eating flesh food or waging a global war may be beyond the scope of economic enquiry but as long as people demanded these items, the compliance of which depended on sacrifice of certain resources which are capable of satisfying certain alternative ends, the implications of those scarce means and multiple wants would form the subject of economic analysis. This by no means suggests that economics is concerned with psychological influences determining the attitude of a voter who has got one vote but more than one candidate to give it to. The study of material welfare still forms the subject matter of economics, which enquired into the wealth of nations and processes by which that wealth is created. Whether that wealth was gold of King Medas or the buffoonery of a television clown, did not matter much; so long as any commodity or service was required by the people who paid for it, whether out of their wages or money burgled from a bank, the process of satisfying those wants formed the subject matter of economics. Theoretically, the implications and inter-relationships of such activities formed the central pivot around which the economic contemplations revolved, but in practice, economists were not absolved of their immediate responsibilities in discharging their social obligations which necessarily involve para-economic considerations.

Recent economic literature is replete with publications which advocate an integration of economics into a general body of Social Sciences. Professor Ludwig V. Mises, Dr. George Katona, Professor Reinold Noyes, Professor Kenneth E. Boulding and several other progressive economic thinkers have expressed their dissatisfaction with the scope of orthodox economics. What is needed at present is an analysis of human behaviour in his natural state of existence. Professor Mises has attempted to show in his *Human Action: A Treatise on Economics* that the ambit of Economic Science must embrace almost the whole field of economics and touches, at some point or other, on almost every

social issue of our time. The psychological school of economists, of which Prof. Noyes may be considered an exponent, advocates that a science of man and of human behaviour must be built on much deeper and firmer foundations than those upon which modern economics has been built. A strong case is being made for economists to take into account man's gregarious and institutional habits studied by sociology and his 'apparently irrational attitudes' studied by psychology. In his book *A Reconstruction Of Economics*, Professor Boulding has said, "I have been gradually coming under the conviction, disturbing for a professional theorist, that there is no such thing as economics; there is only social science applied to the problems of society. We are, I believe, on the threshold of a new attempt at integration in the social sciences, perhaps even in general science."<sup>5</sup> Whether the Gandhian thought would bring about the required integration would be for economic historians to judge. One thing, however, is certain. Gandhi's influence, whatever else it might do, would certainly give a new concatenation to Economic Science and would also link it with the study of moral nature of man in his pursuit of material well-being.

### Test of Practicability

There could be disputations regarding the appropriateness of any definition of Economic Science, but as to what it deals with there is general agreement. If Gandhi has made any impact on economic problems of the day, his ideas should be included in the contemporary economic literature. Foremost in this connection, mention may be made of the elimination of unemployment, gnawing poverty and physical wants from which a great bulk of humanity has been suffering. Gandhi approached the problem in an unorthodox, undoctinaire manner and demonstrated, not only by the force of his logic, but also pragmatically by improving the condition of the Indian peasants and workers who were subsisting on subnormal standard of living, that there could be a better method of solving unemployment than prevalent so far. Furthermore, he refuted the assumption of class conflict inherent in the capitalist society as postulated in the Marxian

<sup>5</sup> *A Reconstruction of Economics*; Kenneth E. Boulding, (Wiley, New York, 1950), p. vii.

dialectics, and asserted instead, that the society could progress better provided a harmonious relationship based on an appreciation of mutual needs and social functions of different groups in a community was established. Gandhi had studied Marx's *Capital* and was critical of the work. He had studied several other classics on economics. But how far his own ideas were moulded by these writers is difficult to assess. While addressing the Economic Society of the Muir College, Allahabad, he prefaced his talk by suggesting that his intrusion into the field of Economic Science might be treated as a "welcome diversion from the trodden path". Since he spoke at the Muir College in 1916, he could claim greater knowledge, experience and maturity in dealing with every economic problem having practical significance.

The two problems that confronted the survivors of World War I were mass unemployment and the terrible destruction of wealth. The League of Nations had mentioned the shocking co-existence of large unsaleable stocks of foodgrains and raw materials, part of which from time to time was deliberately destroyed, and of the unemployed and the partly employed persons. The sense of frustration was also deepening due to a fuller realization of the fact that a large proportion of the population even in the richest countries, was "inadequately housed and inadequately clothed and has always been so". The provision of these things was vital for the welfare of mankind. The improving technology, changing pattern of production, and expanding market horizons could be of little use unless the maldistribution of resources, both of men and material, could be stopped and an equitable distribution of national wealth made possible. How to attain these objectives was the main task before the social technicians. The politicians and the economists were engaged in discovering the causes—the original sin—from which the human society was to be redeemed. This was the problem on the solution of which the future welfare of the society depended. The real was studied in order to intuit the ideal. Market imperfections, impediments to the free flow of capital and the nature of dynamic economics were studied in order to find out the most advantageous distribution of the scarce factors.

## The Dark Period of the Free World

The economic progress following the political revolution in the Union of Soviet Socialist Republics demonstrated the effectiveness of State initiative in accelerating the tempo of economic development. When Europe was suffering from economic dislocation, when the Free World was passing through its dark period, the U.S.S.R. was experimenting with its New Economic Policy and quinquennial plans. Communist Russia made spectacular progress, while other participants in the war were still struggling to get over the crisis. To the large population of these nations, there was no food, no clothes, and no shelter. Hunger is the greatest enemy of morality, and in the twenties, Europe was a land of hungry nations. Describing poverty in India and moral degradation arising out of it, Gandhi once said, "The life of these men has become so difficult that many lose their children and become physical and moral wrecks; some are helpless witnesses of the shame of their daughters and even their wives".<sup>6</sup> This state of affairs was not only true of the poverty-stricken areas in India, but also of the victor nations of Europe. The situation behind the 'iron-curtain' seemed brighter. Communism seemed to provide a ray of hope and consequently, the doctrine of *laissez-faire* received a jolt. The professional economists of the 'Free World' began pondering over the Marxian prediction regarding the breakdown of the capitalistic structure of economy. Was it inherent in the capitalist framework to break down under the impact of change? What was the germ of the communist superiority over other forms of the economy, if at all that was so? They began asking whether the vitality of communism was merely apparent and superficial, or was there any fundamental strength in it. The capitalist society showed anxiety about its very existence. The impact of unemployment and maldistribution of resources to which the League of Nations had already drawn attention was so serious that they were affecting the very survival of the free economy. Would its house collapse under the strain? Was profit-motive really the mainspring of economic development? Unless the weaknesses of the economy were

<sup>6</sup> Mahatma: Life of Mohandas Karamchand Gandhi: D. G. Tendulkar (Bombay, 1951), Vol., II., p. 74.

remedied and the capitalist system revitalized, the communist insurrection was becoming imminent.

How could economists relinquish their efforts to salvage the creaking and the cracking society in which they lived? The danger of annihilation was more real than the outcome of academic disputations regarding the boundary line between the function of a scientist and a technician. President Roosevelt, boldly denying the doctrinaire approach to counteract the ravages of the Great Depression that followed the Wall Street collapse in 1929, formulated his Social Security Schemes, popularly known as the New Deal Measures. Professor J. M. Keynes of Cambridge, England, began advising housewives to buy their provisions liberally, which he argued, would augment the employment potential of the economy. He advised the treasury to fill old bottles with bank-notes, bury them at suitable depths in disused coal-mines, which were then filled up to the surface with town rubbish and left to private enterprise on well-tried principles of *laissez-faire* to dig the notes up again.<sup>7</sup> These apparently irrational and extravagant measures, Keynes argued, would revitalize the capitalist economy, cure unemployment and strengthen the community.

The ghost of unemployment loomed large on the horizon until the situation was relieved, to a large extent, by the outbreak of World War II. More than 16 per cent of the population of the United Kingdom was unemployed; in the U.S.A. 17.0 per cent, Norway 18.3 per cent, Belgium 18.6 per cent, and the Netherlands 21.8 per cent. In Canada, 14.1 per cent of the population was without any productive occupation. A full-scale depression which might result in economic losses and social disturbances, was under way. When the hostilities broke out in 1939, the world was ailing under the impact of hunger and starvation, material bankruptcy and moral degradation. At the same time, the mental horizon of the people was expanding; there was a growing awareness that the people had a birth-right to the good life. Means of communication and mass propaganda, such as radios, newspapers, lecture rooms and even political parties aroused in the masses a desire to have a better and more equitable

<sup>7</sup> The General Theory of Employment, Interest and Money: J. M. Keynes (Macmillan, London, 1949), p. 129.

share in the national cake. They began demanding better conditions of life. The *vox populi* became insistent. The politicians could not absolve themselves of the responsibilities of providing basic necessities of life to the people. In their search for the *El Dorado* from which riches could be gathered and distributed to the common man, the economists were expected to guide the voyage. The capitalist society could survive the communist intrusion only if the economists could find out the New Jerusalem of abundance and freedom. In case this did not happen, the totalitarian regime in its monstrous form would spread its tentacles. Communism provided people with their daily bread but robbed them of their spiritual nature. Communism increased the rate of economic growth but "turned boys into thieves and murderers". Man does not live by bread alone, but without bread too, he cannot exist. Unless food was secured for the masses, there was the likelihood that the common man might rush in for communism overlooking the moral danger lurking at its threshold. Only the true Epicureans would forgo the immediate for the everlasting. The immediate gain under the totalitarian regime was at the cost of the permanent. But the Free World was finding itself unable to solve its unemployment problem, and its people could no longer continue to live on the promise of future bliss. Under such circumstances, people could have gladly given up their moral principles in order to secure more food. The outbreak of World War II, in a way, warded off the evil days of the capitalist society, at least for the duration of the war.

### Engineering War and Peace

There were many problems, social, political, and economic which had to be tackled effectively for the successful execution of the war. The economists were concerned with solving those problems. Everywhere War Economic Boards were constituted, which were charged with the responsibility of allocating resources, their acquisition and distribution in such a way as to eliminate bottlenecks in production without impairing efficiency. Thus started the era of planning in the capitalist economy.

The war-time shortages affected, directly or indirectly, every individual. Men were required to fight on war fronts, to engineer the war plants, to navigate the warships, to pilot the fighter planes



and to administer the gigantic war organizations. Workers for the civilian jobs were very few, but the population, both the combatants and the civilians, had to be fed, clothed and housed. Apart from providing the normal requirements of basic necessities, everything else had to be produced in abundance to overcome the huge shortages caused by nerve-wrecking disruptive practices. The structure of productive organizations had to be altered to compromise the mass appeal for product differentiation and standard demand for war purposes. Above all, morale-building influences had to be vitalized. People were working under psychological tension which could not continue for long. There is a limit beyond which neither the individual nor the industrial capacity can be worked. If attempts are made to transgress this limit, the system itself may collapse. During the pendency of World War II, production could not catch up with demand, and the economy had been suffering from inflation. The prices soared high, which added further misery, as if the war itself was not sufficient to trouble mankind. But inflation could defeat the very purpose of the war. Difficulties in procuring resources could hold up even the progress of a triumphant army. Economists had to help solution of the war-time problems as well as those of the transition from war to peace. Unless the economic forces were controlled and regulated, stability in the economy could not be assured. But that was incompatible with the philosophy of democratic economic planning. Black-marketing had already become a normal economic phenomenon though unsanctified by the legalistic practices of the community. The strain on the capitalist economy was severe: the war came to test the resilience of the system.

Whatever else World War II might have achieved, it inevitably expanded the mental horizon of every individual. It showed that national barriers were mythical. International problems transcended national limits. Peace in any one country was a concomitant of cooperation from others. In the twentieth century, no Robinson Crusoe could survive except as a mythological entity talking to his parrot and constructing his own boat on an isolated island. Presently, Fridays would be essential to him, and a helicopter sent out by a friendly country to reconnoitre and to bring him back would only give him his necessary freedom. The

need for international cooperation in the sphere of economic activities is more vital today than ever. The policy of import restrictions adopted by the Australian Prime Minister may affect the prospect of employment of the distant Scott workers; development of agriculture in an obscure Indian village may affect the production of factors beyond the Atlantic Ocean. The world has become one, and each individual is living in an interdependent international community.

Owing to such an integrated organization of international economic structure, it is impossible to secure sheltered conditions for any one country either during war or peace. Even if the hostilities ceased, a depression in one corner of the world could be conveyed to another and the world might have been in the grip of one of the worst dislocations of the modern age. Lest the world suffered depression like the one that had followed the 1914-18 war, the economists all over the world were concerned to smoothen the transition. Even to maintain political stability, it was essential to safeguard the disruption of the economic organization. The high tension mechanism might not have worked efficiently during peace time. The problem of transition required the expert knowledge of professional economists. The economists suggested assistance to be given to the war-ravaged economy of Europe, and the U.S.A. came forward to lend its support. The Asian as well as the Latin and South American countries also needed help. Africa was becoming politically conscious. She wanted capital resources for launching her development programmes. Such a scale of assistance was beyond the might of individual countries, howsoever, enterprising they might have been in achieving victory over the enemy. This necessitated a reconsideration of commercial and financial policies. The foundation of the International Bank for Reconstruction and Development as well as of the International Monetary Fund, are the two most significant, concrete and tangible achievements of the economic logic of the day. No one would blame the economists for having failed to meet the challenge of the day. They have functioned admirably well as social engineers helping the growth and development of each nation so that the new era could be born without much pain.

### A New Dimension of Economics

While economists in general have not failed to meet the challenge of helping mankind in redressing their shortages and deprivations, Gandhi also contributed his technique in solving starvation, unemployment and differential levels of existence, which under irresponsible leaders could be explosive and might even disrupt the entire social fabric not infrequently under the false expectation of creating a classless society. The industrial civilization has demonstrated its bankruptcy in solving these problems completely. The changing structure of factory establishments is, at present, not integrated with social changes in such a way that any impending change in one is inevitably linked with a corresponding change in the other. Under such a situation is created the anxiety neurosis as to on whom the axe would fall and how long the dislocation would continue. The anguish and pain caused by such uncertainties cannot be averted by distributing relief packets. The nervous exhaustion caused by the speed and the strain of intensive mechanization will not be remedied by augmenting the rate of capital formation and accelerating the tempo of economic development. The social and psychological consequences of industrial civilization have been devastating. The human personality has been completely shattered. There are more maladies in the world currently than what humanity can sustain. There is nothing grandiose either in the 'fully matured' affluent society, or in the final stages of the 'dictatorship of the proletariat,' which could inevitably unfold human consciousness and inspire creative genius to such an extent that the composition of the Vedas and the Upanishads, or the creation of the Chaldeas and the Babylonians or the birth of Beethovens and Michael Angelos could be planned. In fact, the emphasis on the technical, as Professor David McCord Wright of the McGill University U.S.A. has indicated, is an extreme short-sightedness.<sup>8</sup> Pre-conditions of development have been in fact, cultural rather than technical. Externally one's impulses may be related to the market but internally, as Professor Wright has suggested, he is shaped by "a common Judaeco-Christian ethical tradition" and the total man which is an integration of his physical as well as his psychic structure

<sup>8</sup> Freedom Alone Brings Growth: David McCord Wright. Life International, April 11, 1960.

must be taken into account for solving any problem of his. This is where the special contribution of Gandhi lies.

Gandhi has added a new dimension to economics. He has suggested that the material must be integrated with the moral. The ancient Indian sages, who aimed at liberation of the individual from the wheel of transmigration which could enable the individual to taste ultimate freedom — *Nirvana* — assigned an important role to economics. According to them, growth of the individual took place in a cyclical order. It is indicated in Indian scriptures that these stages are marked by *Artha* (Money), *Kama* (Desire), *Dharma* (Righteousness) and *Moksha* (Liberation) which are the qualities, the attributes, which predominate at different levels of development. They wrote *shastras* analysing the outstanding characteristics of these stages and indicating the way to traverse from one to the other. Economic Science or the *Artha Shashtra* was considered as important for the liberation of man — *Moksha* — as the science dealing with his emotions and morals.

The basis of *Lokayata* or the materialist doctrine is *Artha Shastra*, which guided monarchs in acquiring and maintaining land. It regulated the prevailing social order and was concerned with prices, wages, subsidies, trade guilds, town planning, besides many other legalistic and political problems. Acquisition of wealth necessary for the satisfaction of physical requirements and basic necessities of life is the pre-condition for all progress — material as well as spiritual. Progress takes place when individuals are motivated by certain basic urges in them. Except in the case of a pathological miser who accumulates money for the mere satisfaction of it, normal human beings are interested in wealth because it is a means for achieving certain ends. Invariably, in every instance, material acquisition is intended for certain psychological satisfaction. Money is earned in order to satisfy certain desires. The structure of desire is very fluid; sometimes changes in it are quicker and more fundamental than many institutional changes. In the pursuit of acquiring wealth, very often, one is so much entangled in it that the purpose of acquisition itself is forgotten. That is unfortunate. The Science of Emotions, which relates not only to the enhancement of sexual pleasure — though the Indians have examined this aspect of life also to its

logical conclusion—but also to the problems of human relationships arousing different emotions in the individual, has a profound impact on human welfare. Frequently, an individual becomes lustful and is swayed by insurmountable passion which if unregulated could land him in a psychiatric clinic. Psychological tension sometimes could do much harm. Emotional integration and social cohesion are much more effective in building up and protecting any civilization than mere technological improvements. What Professor Wright probably implies by referring to the impossibility of protecting the downfall of the Roman Civilization or of the disintegration of the Spanish Empire by planning technique, is the importance of emotional integration in a society, without which neither the individual nor the community could be saved. Unless economic injunctions have taken into account the necessity of emotional development and maturity, they would fail to eradicate the social malady completely.

### **Economics of Integrated Man**

Carl C. Jung, who refuted the Freudian libido theory which enunciated the sex urge as the basis of human motivation, has indicated that the predominant factor in building up an integrated personality is the discovery of one's "vocation", "which is the law of one's being." "Fidelity to the law of one's being is a trust to this law, a loyal perseverance and trustful hope; in short such an attitude as a religious man should have to God," Professor Jung stated. In Indian phraseology, unless the voice of righteousness — *dharma* — is obeyed by the individual, he would fail to attain his full stature, his real self; the Inner Ruler Immortal seated in the heart of each individual must be contacted and a rapport established with it. Without this, the individual will not attain his liberation. Karl Marx viewed the problems of psychic nature from the standpoint of matter, and it appeared to him that matter influenced and controlled every aspect of human life. Sigmund Freud has interpreted all religion through the medium of psychological complexes and has considered religion as "a neurosis, an illusion and a product of primi-

tive, unreal, thinking".<sup>10</sup> Even great mystic experiences which did not fit in his scheme of reasoning, he managed either not to register or to put them aside to await future considerations which never happened. Freud visualized sex symbology in every religious ritual, and he discovered sex urge in every human action. His analysis of human behaviour was desire based; whereas, Carl C. Jung saw the vision of an Integrated Personality, when the individual is guided by his inner light and has become a "Liberated Man". The final act of liberation, "individuation", as Prof. Jung calls it, is a deeply mystical experience. On the one end of the psychic life of an individual there is desire, conscious and unconscious, but on the other end of the scale is final liberation, the merging of the individual with the Universal, still maintaining the essential nature of his being. That is Lord Buddha's *Nirvana*. Righteousness, religious practices and mystic experiences are the means of transmuting desire into *Nirvana*, the transformation of the 'base-metal' as the alchemists put it, into 'pure gold.' Considered this way, the ultimate destiny of man influences his morality, his ambitions, his acquisitive nature and his pursuit after wealth. Each stage of development is connected with the other; for a happy existence and fruitful progress all the four stages of growth should be harmoniously blended.

Gandhi approached human problems from such a comprehensive and well-integrated standpoint in which economics, psychology, religion and mysticism are synthesized. Indeed, everything is interconnected with everything else. No human problem can be satisfactorily tackled in isolation. Gandhi has emphasized this inter-related nature of economic questions, not only with one another but with other social sciences as well. While analysing economic issues of the day, their implications on other aspects of life must also be taken into account. Gandhi's emphasis on studying an "integrated" man in all his sociological aspects, rather than merely the study of mythical "Economic man" in his "ordinary business of life" is worth considering inclusion in the contemporary discussions on Economic Science.

## Chapter II

### GANDHI'S EXPERIMENTS AND EXPERIENCES

The modern civilization involved in setting up mammoth mills, establishing night clubs and casinos, and developing organizations of mass propaganda fails to protect the individual from unemployment, penury and moral turpitude. The contemporary society has become so mechanical that an individual aspiring to live an unconventional life has to undergo intense suffering resulting from personal injustice, social calumny and heart-breaking moral conflicts. Refusal by a social scientist with an unconventional approach to attempt to tackle the problems of his age effectively, would make him guilty of transgressing canons of humanitarian work. Such philanthropic activities might make his personal life difficult but they should be performed. To sail between Scylla and Charybdis may be dangerous, but it cannot be escaped. Gandhi knew how much trouble would this effort mean to him but he attempted to solve these problems. This was a dangerous and risky experiment to perform, but from such experiments emerged Gandhi's economic philosophy. Some of his experiences were of far-reaching significance and they help an understanding of his approach to mundane problems.

Born on October 2, 1869 in a devout Vaishnava community, Mohandas Karamchand Gandhi matriculated at the age of eighteen and sailed for England to study law. A vegetarian he was by birth; in England, his interest in dietetics increased. He read several books on the subject and experimented with his own diet. He joined the Vegetarian Society in London, subscribed to its weekly journal and soon became a member of its Executive Committee.

The zeal for vegetarianism aroused in him a great desire to study and to understand Indian scriptures. It was in Hinduism that flesh food was taboo. He read Sir Edwin Arnold's translation of *The Bhagavad Gita*, and later on, his other book — *The Light of Asia* — which depicted the life and teachings of Lord Buddha. He also met Madame H. P. Blavatsky, a Russian occultist who founded the Theosophical Society, and Mrs. Annie

Besant who was famous at that time as a socialist and a free thinker, and had recently joined the Theosophical movement. Gandhi read Madame Blavatsky's *Key to Theosophy* which stimulated in him the desire to read books on Hinduism and disabused him of the notion that Hinduism was rife with superstition. He also read Mrs. Besant's *How I became a Theosophist?* which strengthened his faith in theism.

In 1891, Gandhi completed his examination, was called to the bar and was enrolled in the High Court on 11th June. On the following day he sailed for India. In India, Gandhi felt much difficulty in forging ahead at the bar. At that time, Seth Abdul Karim Jhaveri came to his rescue. He offered to engage him in a law suit in South Africa, which Gandhi accepted. In April 1893, he sailed for South Africa.

In South Africa, Gandhi was treated as a 'Coolie Barrister' and an 'Unwelcome Visitor'. He was pushed out of the railway compartment and his luggage thrown on to the platform because he refused to leave the seat for which he had a valid ticket. On another occasion, he was refused an interior seat in a stage coach. He was given the footboard, a humiliating place to sit on, and on resenting to being shifted from there also, he was thrashed and beaten by the driver. In Transvaal, first and second class tickets were not at all issued to the Indians. In such a humiliating condition, to take up office premises in a respectable district and to establish oneself as a practising lawyer was a difficult task. Gandhi wanted to study the condition of the Indians living in that country. He convened a meeting of the Indians in Pretoria and depicted to them the condition prevailing in Transvaal. Later on, he organized the Natal Indian Congress to voice the grievances of the Indians living there and to demand legal and respectable status for them.

### **The Spiritual Touch**

While engaged in his public activities, Gandhi's interest in religion grew. He began studying different religions. He purchased an English translation of the *Holy Koran* and studied it. Some of his Christian friends tried to educate and to convert him to Christianity. Gandhi was interested in studying the scrip-



ture and understanding its deeper meanings rather than in conversion. He corresponded with Edward Maitland who sent him a copy of *The Perfect Way*. The book was written in collaboration with Miss Anna Kingsford, and it explained the ancient teachings in an interpretative and reconciliatory way. Gandhi was much impressed by this work. He also received another book—*The New Interpretation of the Bible*—by the same author. These books gave a new perspective to the Christian scripture which was in consonance with Hinduism. Gandhi also read Tolstoy's *The Kingdom of God Is Within You*. He felt that there was unity in all religions and that there was possibility of living a satisfying life by becoming truly religious in whatever community one was born.

In 1896, Gandhi returned to India. He wanted to educate the Indian public about the condition prevailing in South Africa. But here, people were more concerned with their own social and political problems; they did not evince much interest in South Africa. Gandhi endeavoured hard, but he could enlist only partial support. In the midst of his campaign he received a communication asking him to return to South Africa.

This time when Gandhi reached South Africa, he was given a worse treatment. He was alleged to have indulged while in India in unmerited condemnation of the Natal Whites. He was also accused of trying to swamp Natal with the Indians. The White population resented his arrival in South Africa. While Gandhi was being escorted from the ship to his residence, they pelted him with stones, brickbats and rotten eggs. He was battered and kicked till he fainted. But for the commonsense of the police superintendent, Gandhi would have perished on this trip.

Though the British rulers of South Africa created difficulties for him, he was not embittered against them; when need arose, he helped them. At the time of the Boer War, Gandhi's personal sympathies were with the Boers but he felt it his duty to participate in the defence of the British Empire. He collected an ambulance corps of more than 1,100 persons and with great difficulty got their services accepted. After the cessation of the Boer War, he returned to India and wanted to settle down as a lawyer. But Bal Krishna Gokhale wanted him to pay greater

attention to the Indian political situation. It was impressed on Gandhi that the Indian National Congress was a powerful organization for which he should work. He travelled round the country and saw the abject poverty, blind superstition and insanitary conditions prevailing everywhere. While so engaged, he was informed that Mr. Chamberlain was going to South Africa and he also should reach there soon so as to help the deputation that would wait on Mr. Chamberlain.

The third trip to South Africa was one of longest duration and probably, the most important one. The deputation that waited on Mr. Chamberlain was ineffective: "You must try your best to placate the Europeans, if you wish to live in their midst", was Mr. Chamberlain's reply. This was a very unsatisfactory reply.

During this period, Gandhi was doing well in his profession. He earned much money but the craving of his soul was not satisfied. He was undergoing a religious revolution at that time. He questioned the validity of religious injunctions. He pondered over the essential nature of religion, its influence on human behaviour and society, the way people lived and interacted on one another. The meaning and purpose of life had become barren to him.

At that time Mr. Ritchie, a theosophist, put Gandhi in touch with the Theosophical Society at Johannesburg, where Gandhi discussed religious and other vital problems with the members of the Society. He read some more books on theosophy and addressed some theosophical meetings. He discussed the idea of universal brotherhood which was the main objective of the Theosophical society, and vehemently criticized the members if their conduct did not appear to him to square with their ideal. These discussions set him thinking on new lines. He liked the discussion method of introspection. He founded a Speakers' Club, where members held regular meetings and read books of importance and expressed their views courageously without any inhibitions.

Gandhi also assisted financially a vegetarian restaurant. He incurred loss on this account. In 1904, he started a weekly journal named the *Indian Opinion*. The publication of the journal and the establishment of the vegetarian restaurant brought

Gandhi in close contact with some of his life-long companions. Dr. A. West and Mr. H. S. L. Polak may be mentioned in this connection. At the time of the conflict between the Johannesburg Municipality and the residents of the 'coolie location' there, Gandhi became more a brother of the depressed people than a legal adviser to them. He shared in all their private and public sorrows and hardships. When the Black Plague broke out in the city and a few cases of it occurred in the 'location', Gandhi, at the risk of his own life, rushed to their aid. He arranged for their medical treatment and hospitalization even when the municipality itself was unable to render any assistance. Lest the work of the *Indian Opinion* should suffer due to Gandhi's heavy pre-occupation with the plague-afflicted persons, Dr. West who was an experienced journalist, agreed to help the paper even if it were unprofitable to him. The financial condition of the paper was bad. When Gandhi got some relief from the plague victims, he wanted to attend to the paper. When he was going to Natal, where the office of the *Indian Opinion* was located, H. S. L. Polak gave him a copy of Ruskin's *Unto This Last* assuring him that he would enjoy reading that book. The book, indeed, made a profound impression on Gandhi; it completely revolutionized his life and cleared the mental cloud which had surrounded him at that time. He has himself recorded:

"I discovered some of my deepest convictions reflected in this great book of Ruskin, and that is why it so captured me and made me transform my life. A poet is one who can call forth the good latent in the human breast. Poets do not influence all alike, for everyone is not evolved in an equal measure.

The teachings of *Unto This Last* I understood to be:

1. That the good of the individual is contained in the good of all.
2. That a lawyer's work has the same value as the barber's inasmuch as all have the same right of earning their livelihood from their work.
3. That a life of labour, i. e. the life of the tiller of the soil and the handicraftsman is the life worth living.

The first of these I knew. The second I had dimly realized. The third had never occurred to me. *Unto This Last* made it as clear as daylight for me that the second and the third were contained in the first. I arose with the dawn, ready to reduce these principles to practice.”<sup>1</sup>

### A New Dawn

On reaching Natal, Gandhi discussed the book with Dr. West and proposed that the office of the *Indian Opinion* be shifted to a farm. He suggested that everyone there would work as a labourer, draw the same living wage and attend to the press work in his spare time. Dr. West agreed to the proposal. Some piece of land was bought and some huts were built on it. Many of the workers accepted the condition and joined the Settlement. Thus was started the Phoenix Settlement intended to attain the ideals laid down in Ruskin's *Unto This Last*.

For two and a half years Gandhi could devote himself to the Settlement, paying attention to the details and organizing the community life in an ideal way. Then came the Zulu Rebellion. Gandhi had his sympathies with the Zulus, but considering himself a citizen of Natal, he thought it his moral obligation to help the Natal Government. He offered to assist the Government. His services were immediately accepted. He was asked to raise an ambulance corps. The Whites had refused to nurse the coloured victims whose wounds were festering and there was none to attend to them. Gandhi's offer was, therefore, a great help. The Zulu Rebellion 'which was no war but a man-hunt' influenced Gandhiji to take his vow of *brahmacharya*.

In 1914, Gandhi returned home via London, where he got an attack of pleurisy. He was advised change of climate and he left England by sea. Even before he reached Aden, he was much better. In India, the Home Rule for India Movement under the leadership of Mrs. Annie Besant was gaining strength. She had emphasized the need for India's independence within the British Commonwealth. Gandhi did not want to take advantage of the enemy's adversary for pressing one's demand, so he opposed

<sup>1</sup> An Autobiography by M. K. Gandhi (Navjivan Publishing House, Ahmedabad, 1959), pp. 220-1.

Mrs. Besant and advocated for the postponement of the political demand of the country during the pendency of the war.

Gandhi's passion for redressing the suffering of the South African indentured labour did not wane even on reaching India. He agitated once more to put an end to that system. Under the Smuts-Gandhi Settlement of 1914, the £3 tax in respect of the indentured immigrants to Natal was abolished, but the general condition was still far from being satisfactory. In 1916, Pandit Madan Mohan Malaviya moved a resolution in the Imperial Legislative Council for the abolition of the indentured labour system. In accepting the motion, Lord Hardinge announced that the system would be abolished in due course. It was a vague assurance. The following year, Pandit Malaviya again asked for leave to introduce a bill for the immediate abolition of the system. He was refused permission to do so. Gandhi resented this refusal and thought of starting an all-India agitation. But before he did so, he thought it appropriate to wait upon the Viceroy to apprise him of his intention. He did so without any effect. He started touring the country and holding mass meetings to mobilise public support. During the middle of the year, the Government announced the stoppage of indentured emigration from India. This was the first great political victory of Gandhi.

### **Among the Peasants and Workers**

Prior to the discovery of synthetic litmus, indigo was grown in Champaran, a backward district in North Bihar. This was done under compulsion. The planters who were mainly British had imposed a condition that 3/20ths of the area under cultivation must be sown with indigo and the crop delivered to them. Penalty for not doing so was humiliation, flogging, physical harassment, besides imposition of fine. The indigo planters had established a reign of terror. The peasants had no liberty; even in their personal affairs there was much interference. No complaint against these planters could be registered; no life of dignity could be lived. When Gandhi returned from South Africa, he was informed of this condition. At first, he did not realize the intensity of the problem. But when he went to Bihar to enquire into the matter, he found that the situation required drastic treatment. He

was obstructed in his work. The planters and under their influence even the local administration raised objection to his entry into the district. He was given notice to discontinue the enquiry. He disobeyed the orders and undaunted proceeded to the district. He was prosecuted for doing so. Pleading guilty, he stated that he had gone there with the motive of rendering humanitarian and national service and that he disregarded the order served on him 'not for the want of respect for lawful authority, but in obedience to the higher law of our being, the voice of conscience'. The case against him was withdrawn at the intervention of the Lieutenant Governor, and he was permitted to conduct his enquiry. The investigation was not merely a sociological study; it was a kind of political education and spiritual encouragement to fight the evil. He made the people realize that atrocities could be ended by non-violent methods, and that dignified life could be lived. The magnitude of exploitation even at the preliminary examination appeared so colossal that the Government themselves agreed to set up an official committee with Gandhi as a member to report to the Government on the situation. The Committee reported that the forced indigo plantation was illegal and it recommended the abolition of the system. The recommendation was accepted by the Government. This ended the planters' *raj* in Bihar. To the poor peasants it meant salvation from a life-long slavery, the redemption which was unbelievable.

It was an urge to help his countrymen that Gandhi undertook the task of enquiring into the conditions of indigo plantation in Champaran. With the same aim in view, he began handling the peasants' agitation in the Kheda district. There the crops had failed but the authorities were unwilling to exempt the peasants from paying the revenue. This had put the peasants to serious hardship. Gandhi's help was sought in the matter. He became the spokesman of the peasants. Finally, their claims were recognized and those who were unable to pay the revenue were exempted from doing so.

Hardly was the Kheda agitation over when a workers' strike took place in the Ahmedabad Textile Mill. Gandhi led the workers and organized them on non-violent lines. The strike lasted for several weeks. Towards the end, the workers' enthusiasm

began to diminish. Gandhi started a fast to revitalize the strikers. This had the desired effect. The workers gathered strength and the mill-owners began to wish for an amicable settlement. When the settlement was reached, the mill-owners even distributed sweets to the workers.

During the same period, Gandhi's attention was drawn to the Jallianwala Bagh incident. To protest against the Rowlatt Act of 1919 which gave extraordinary powers to the Government in dealing with the terrorists, when some people had collected together at Jallianwala Bagh, Brigadier-General Reginald E. H. Dyer without giving the crowd any warning to disperse ordered his troops to fire. In ten minutes 1,650 rounds were fired causing 379 dead and 1137 wounded. Several days after this blood-bath, General Dyer further published his 'crawling order' and erected a whipping post for the public flogging of those who ignored the order. Gandhi sought permission to visit the Punjab and to enquire into the 'outrage'. The permission at first was not accorded. He pressed his demand. Finally, the Viceroy yielded. When Gandhi went to the Punjab and visited Lahore and other cities, he was given a reception which was unprecedented in magnitude and warmth. Wherever he went, the seething mass of humanity became delirious with joy. Gandhi, thus, became the symbol of national resistance to the foreign evil.

### **Winston Churchill Provoked**

The Montague-Chelmsford Reforms were announced towards the end of 1919, which introduced a dyarchical form of Government in India. The provinces were given greater freedom in their administration. Many Congressmen including Bal Gangadhar Tilak were opposed to dyarchy. Gandhi did not share their views. He pleaded for patience and trust. At last, a compromise was reached and the Congress resolved to give it a trial. As far as other problems, such as the peace terms on Turkey and reaction to the Jallianwala Bagh incident, were concerned, no satisfactory progress was made. General Dyer was exonerated in spite of the Hunter Committee finding him guilty. The Indians felt unhappy. At the Calcutta session of the Indian National Congress in 1920, the Non-Cooperation Movement was approved. At that time, the then Prince of Wales, who later on became Edward VIII and

was renowned for his sympathies for India, was paying a State visit to the country. Gandhi opposed public receptions to the royal guest. He also advocated boycott of foreign cloth and other items of import. He started the Non-Cooperation Movement and was imprisoned. His colleagues were also put behind the bars. Gandhi's confinement, however, was cut short due to the necessity of an operation for appendicitis.

The impending arrival of an official all-British Commission led by Sir John Simon to report on the conditions in India and to make recommendations for political reforms was announced on November 5, 1928. The Commission was unwelcome. It was greeted with black flags throughout the country. The policy of inequality and exclusion angered Gandhi and the Indian people. The publication of Miss Katharine Mayo's *Mother India* at that very time further aggravated the situation. A feeling was growing in the country that the Government was reluctant to transfer power to the Indians, and they were only delaying the issue.

Gandhi thought of starting the Non-Cooperation Movement once again. He started the campaign by breaking the salt law. The manufacture of salt was prohibited unless a prior licence on payment of a tax was obtained for the purpose from the Government. As a token of Non-Cooperation with the Government, it was proposed to disobey this law. Gandhi himself was the first one to do so. Others followed him. He was arrested and so were others. There was repression all over the country. It was during this period of all-India agitation that the first Round Table Conference was convened. When the Conference opened in London, Gandhi was still in gaol and no delegate of the Indian National Congress attended the First Round Table Conference.

The then Viceroy of India, Lord Irwin, ordered unconditional release of the Congress leaders in January 1931. Within a month, Gandhi had an interview with the Viceroy. "The nauseating and humiliating spectacle of this one-time Inner Temple lawyer, now a seditious fakir, striding half-naked up the steps of the Viceroy's palace, there to negotiate and to parley on equal terms with the representatives of the King-Emperor" provoked Winston Churchill. In spite of this, the Gandhi-Irwin Pact



was signed. This meant that the Civil Disobedience would be called off, prisoners released, salt manufacture permitted on the coast, and the Congress would attend the next Round Table Conference. This was a great advance. The status of India was recognized, and Gandhi's ability to negotiate established. Gandhi represented the Indian National Congress at the Second Round Table Conference held in 1931 in London.

### Wonderfully Good Diplomat

Mahatma Gandhi stayed at an East End Settlement House called Kingsley Hall in London. It was five miles away from St. James' Palace where the Round Table Conference sat. Much time could be saved if Gandhi stayed at a neighbouring hotel. But he decided otherwise. He felt linked with the slum dwellers in England. He wanted to identify himself with them. The East End gave him an opportunity to do so. There were many persons who thought that Gandhi was neither hopeful about the outcome of the Conference, nor was he interested in the intricate business of constitution making. He was interested in freedom of India and not in arguments about it. He expected to return "empty handed" and he did so.

But while in England, he met the rich and the poor, the intellectual and the simple and impressed them with the sincerity of his purpose. When he met David Lloyd George, all his servants came out to meet him: no other guest of his had ever inspired them to do so. He met Charlie Chaplin, who came from a poor family in the London East End. Gandhi did not know that Charlie was a world famous actor, but he was not interested in knowing that either. King George V, who regarded India with a very special interest, was very reluctant at first, to give an audience to "Gandhi with his naked knees, in sack cloth". There was also an apprehension that Gandhi himself might refuse the invitation. At the Royal audience, however, Gandhi showed what a "wonderfully good diplomat" he was, apart from having "wonderfully good manners and attractiveness of personality." Gandhi also met Prof. Harold J. Laski who taught the grammar of politics even to the coloured students of the London School of Economics and who ever remained a great friend of India and the Indians.

Gandhi visited Eton, Cambridge and Oxford and spoke there about the Indian conditions and aspirations. He also addressed the London School of Economics. He confessed the humiliating conditions in India as far as unbrotherly behaviour of different communities was concerned, but he also elaborated the 'economics of British rule and how the village industries were destroyed for the benefit of British manufacturers'. In all his personal contacts as well as in his official dealings, Gandhi impressed upon the people his new approach to life; he set up a new standard of moral code.

Gandhi was overwhelmed abroad by the sincerity and affection of the people but in India, he found a contrast. The Government attempted to throttle the new spirit of freedom that was dawning in the country. There was reaction to it. The Indians agitated, refused to pay rents and began non-cooperating with the Government. Repression followed. Emergency Power Ordinances were promulgated which authorized the military to seize buildings, impound bank balances, confiscate wealth, arrest suspects without a warrant, suspend court trials, deny bail and habeas corpus, withdraw mailing privileges from the press, disband political organizations and prohibit picketing and boycotting. In short, there was no civic right in the country. Jawaharlal Nehru and others were arrested and stopped from meeting Gandhi. The door of negotiation was banged even in Gandhi's face and he was, once again, put behind the bars.

In August 1932, when the MacDonald Award according to which the Depressed Classes were given separate electorate, was announced, Gandhi decided to fast unto death unless the provision was changed. He communicated to Rabindranath Tagore his intention of resisting the clause even at the risk of his life and sought his blessings. On this decision, Dr. Tagore telegraphed, "It is worth sacrificing precious life for the sake of India's unity and her social integrity". This fast created anguish among the leaders. They strove hard to forge national unity and tried to get the Award modified. The Non-Cooperation Movement which was petering out at that time as a result of the repressive measures of the Government also got fillip due to Gandhi's fast.

Dr. B. R. Ambedkar, who was leader of the Depressed Classes, did not want the repeal of the Award. He was distrustful of the Hindus, but was surprised to find that Gandhi was offering him much more than what he had bargained for. The Yeravada Pact between the chief Hindu and the Harijan negotiators was signed on the fifth day of Gandhi's fasting. On agreement between the chief Hindu and Harijan negotiators, the British Government announced their approval of the Yeravada Pact supplanting the MacDonald Award.

Gandhi had declared that the Hindus would be responsible for his death if he died during his fast. When the fast was over, a wave of activities for the uplift of the Harijans—the untouchables of the Hindu community—began. Temples were thrown open to them. In caste societies, as well as in social and public functions, grater importance was given to the Harijans. In February 1933, Gandhi started the Harijan Sewak Sangh, a society to help that community. He also started a new weekly which he named *Harijan*. This journal replaced the *Young India* which was suspended during the Non-Cooperation Movement. In October 1933, he launched the All-India Village Industries Board.

### Earthquake in Bihar

On January 15, 1934, there was a serious earthquake in North Bihar. Many towns were affected. Millions died. The food-crop was badly damaged; the means of transportation and communications were dislocated. The calamity, Gandhi said, was the result of the discrimination practised by the Caste Hindus against the untouchables. This statement was resented by several eminent persons. Even Rabindranath Tagore, one of the great admirers of Gandhi, protested against this statement of Gandhi, who had not meant to provoke people. He was only suggesting the possibility of a universal law which attempted to counter-balance any disturbing social phenomenon. In fact, he was distressed by the calamity and toured the afflicted areas extensively. He went from village to village comforting, teaching and preaching the simple villagers. He organized relief and distributed food, clothes and other basic necessities of life to the afflicted people.

### A Moral Substitute

While the European nations were preparing for war and were contemplating brutal designs over weaker nations, Gandhi was brooding over the problems of peace. He was seeking a moral substitute for the impending war. He knew his ideas would be rejected, but he wanted to declare them boldly. Gandhi advised the Abyssinians when attacked by Mussolini not to fight. He said, "If the Abyssinians had adopted the attitude of non-violence of the strong, that is, the non-violence which breaks to pieces but never bends, Mussolini would have had no interest in Abyssinia". Gandhi felt that a non-violent civil resistance by the Jews would not have made them worse off. The Satyagraha by the Jews, for which they were better fitted—they were a compact and homogeneous community—could have scored, Gandhi thought, a lasting victory over the German gentiles in the sense that they would have converted the latter to an appreciation of human dignity.

When World War II broke out, Gandhi without trying to judge the claims of Hitler considered the act of aggression unjustified by any canons of human decency. He wanted to lend moral support to England and her allies; "even one who disapproves of war should distinguish between the aggressor and the defender". But the Congress did not approve the way it was dragged into War. Gandhi wanted to lend unconditional support to Britain whereas though the Congress condemned the Fascist aggression, it did not propose helping Britain. Lord Linlithgow had expressed the reluctance of his Government either in defining the war aims or assuring the future of India. Thus, there was stalemate. The country was getting restless, but Gandhi advised tolerance and patience. The Congress differed. What was to be done? The British had brought War to the Indian soil. Troops were already stationed there and recruitment had begun in India. But Independence was nowhere in sight.

Then came the 1942 movement. The Quit India resolution demanded the British Government to leave the country. Instantaneously, the leaders were taken into custody. Gandhi was once again imprisoned. Agitation and repression began in the country. Telegraph poles were uprooted. Transport system was dis-

rupted. Even the combatant forces stationed in the country were mobilized to put down the mass rebellion. People were brutally murdered. Children were killed and women raped. Several places were even bombarded. The fury of the masses was not waning. Who could control the masses and negotiate with the Government when Gandhi and other leaders were in gaol and their whereabouts not given out to the public?

### **The Pilgrim's Progress**

Towards the close of World War II much pressure was put on the British Government to settle matters with India. In September 1946 an Interim Government with Jawaharlal Nehru as Prime Minister was formed. The greatest obstacle in the transfer of power at that time was the problem of Partition: the Congress worked for a united India, whereas the Muslim League wanted to have the country truncated before Independence. Gandhi was averse to such negotiations and was feeling very unhappy. At that juncture, the rift between the Hindus and the Muslims had greatly sharpened.

One of the worst communal riots was engineered in 1947 at Noakhali, Bengal. The Muslims killed the Hindus, forcibly converted them to Islam, ravished their women, burnt their homes and destroyed their temples. This cry of "the outraged womanhood" immediately called Gandhi to the afflicted district of Noakhali. The entire country was awe-stricken. There was no security of life and property there. Who knew, a dagger from Noakhali could have finished Gandhi for all time! Gandhi was a Hindu by birth and the Muslims were in an overwhelming majority in Noakhali. He went there unescorted, unprotected. He walked on blood-stained roads, passed through deserted villages, met molested women. He consoled them. Tears dropped from his eyes. He held prayer meetings where both the Hindus and the Muslims came and sat together. He endeavoured to establish amity between the communities. At that time, disturbing news came from another neighbouring province, Bihar. The Hindus of the province reacted violently to the brutality perpetrated in Noakhali. This was a Hindu majority Province. Here, the Hindus killed the Muslims. The madness spread in other parts of the country as well. This made Gandhi much distressed. On the day

of the transfer of power, Gandhi was in Bengal working for better understanding between the Hindus and the Muslims and pondering over the bestiality of mankind. He questioned whether humanity was capable of noble deeds at all.

Independence did not give Gandhi the peace that he wanted. He found that his efforts for communal amity had failed. He was unable to convey the message of spirituality to his fellow-beings. The prayer meetings which he had been conducting every day, where hymns from different religions were chanted before he talked to the audience, were spiritual sustenance for him but for many others they meant very little. For Gandhi, these meetings were very important; they were the source of his inspiration. This was a medium by which he could reach the masses. Every individual without any distinction, without any hindrance could participate in such meetings. There was no restriction, no barrier for those who participated in them.

On one of such meetings, on January 30, 1948, Gandhi met his assassin. There was a thick man in his thirties dressed in khaki in the front line of the crowd. When Gandhi came on the dais, this man moved forward, a step towards Gandhi, bowed to salute him, took out his revolver and fired three shots. "Hey Ram"—O God!—came out of Mahatma's lips and he was dead. The light was gone for ever.

Gandhi's experiment with life thus came to an end, but based on his experiences a "brave new world" is emerging. The spirit of Gandhi is rising once again and is pervading every action and thought not only of the Indians, but of the entire world. The spiritually bankrupt humanity is looking to India for the message of Gandhi for its salvation. A new social order is emerging in many parts of the world. Many new nations are craving for the Gandhian teachings. They want to study Gandhism with hope and optimism. They want it because they want to establish peace and goodwill. Gandhi is dead, but his spirit is living. The assassin could not put an end to the spirit of Gandhi; Gandhi will continue to live among the orphan humanity till universal brotherhood is established and the man has learnt to love his fellow-beings.

## Part B

# THEORY

*"A way must be found to bring about the efficient and equitable distribution of man's physical necessities; and it will be found, because technology will force us to find it, now or to-morrow. But apart from seeking the physical well-being of man, why do we seek at all?"*

— J. KRISHNAMURTI

## Chapter III

### ECONOMICS AND ECONOMIC LAWS

“There come to us moments in life when about some things we need no proof from without.” A little voice within us tells us, ‘You are on the right track, turn neither to your left nor right, but keep to the straight and narrow way.’ With such help we march forward, slowly indeed, but surely and steadily.”<sup>1</sup> That was the position when Gandhi without any knowledge of economics, as it is commonly understood, and without having read ‘Mill, Marshall and Adam Smith and such other authorities’ on the subject addressed the Economics Society of the Muir College, Allahabad on December 22, 1916. He discussed with them the problem of Economic Progress. While considering the dynamic set-up of our society, Gandhi said that there was no such thing as perfect rest or repose in this visible universe of ours.<sup>2</sup> On another occasion he had stated, “Human society is a ceaseless growth, an unfoldment in terms of spirituality.”<sup>3</sup> Economics was related to this social change. Gandhi was careful to emphasize that every impact on human society should be directed towards moral progress of the society, ‘which is the same thing as progress of the permanent element in us’. This, however, does not always happen. In order to show the inability of material progress in adding to human happiness, Gandhi even quoted Wallace, a great scientist, who said, “This rapid growth of wealth and increase of our power over nature put too great a strain upon our crude civilization and our superficial Christianity, and it was accompanied by various forms of social immorality almost as amazing and unprecedented,”<sup>4</sup> Gandhi further added,

“He then shows how factories have risen on the corpses of men, women and children, how as the country has rapidly advanced in riches it has gone down in morality. He shows this

<sup>1</sup> Mahatma, Life of Mohandas Karamchand Gandhi: D. G. Tendulkar (Vithalbhai K. Jhaveri & D. G. Tendulkar, Bombay) Vol. I. p. 236.

<sup>2</sup> Ibid. p. 237.

<sup>3</sup> Ibid. Vol. II. p. 296.

<sup>4</sup> Ibid. Vol. I. p. 241.



by dealing with insanitation, life-destroying trades, adulteration, bribery and gambling. He shows how with the advance in wealth, justice has become immoral, how deaths from alcoholism, and suicide have increased, how the average of premature births and congenital defects have increased, and how prostitution has become an institution. He concludes his examination by these pregnant remarks: "The proceedings of the divorce courts show other aspects of the result of wealth and leisure, while a friend who had been a good deal in London society assured me that, both in country houses and in London, various kinds of orgies were occasionally to be met with, which would hardly have been surpassed in the Rome of the most dissolute emperors. Of war, too, I need say nothing. It has always been more or less chronic since the rise of the Roman Empire. But there is now undoubtedly a disinclination for war among all civilised peoples. Yet the vast burden of armaments taken together with the most pious declarations in favour of peace, must be held to show an almost total absence of morality as a guiding principle among the governing classes."<sup>5</sup>

Economics is related to social change. The introduction of mechanical means of production in order to cheapen the goods of everyday consumption has greatly complicated life. The relationship between the individual and his society has been disrupted. There is no secured family life either. Psychologically, man has been enfeebled; spiritually, he has been impoverished. In spite of material plenty, which has been made technically feasible in the contemporary world, there is psychological tension and moral bankruptcy. A way out of this chaos must be discovered for which Economic Science has special contribution to make. In this context it may be relevant to indicate that Gandhi did not consider the proper scope of economics merely to find out the ways and means of providing greater amount of basic necessities of life. "Every human being has a right to live and, therefore, to find the wherewithal to feed himself and where necessary to clothe and house himself. But for this very simple performance we need no assistance from economists or their laws."<sup>6</sup> Gandhi hoped that economics would help the elimination

<sup>5</sup> Ibid., Vol. I. p. 241.

<sup>6</sup> Ibid., p. 237.

of poverty, reduction of inequality of wealth and income, and it would also lay the foundation of a harmonious society where the individual could attain, without any hindrance, the fullness of his personality. The chief preoccupation of Real Economics is to direct the limitless expansion of material prosperity towards the fulfilment of Real Progress by which Gandhi meant 'moral progress'. Considered this way, "True economics stands for social justice and moral values."<sup>7</sup>

If economic progress was related to material advancement, how was it related to moral progress? Was there no antithesis between materiality and morality? Did moral progress in a community increase in the same proportion as its material progress? What was the significance of technological improvements which aided the growth of material prosperity? These are important problems for the consideration of economists in order to assign economics a rightful place among other social sciences.

Gandhi's ideal of Real Economics was to "manufacture souls", not merely material plenty. "We need not be afraid of ideals or reducing them to practice even to the uttermost. Ours will only then be a truly spiritual nation when we shall show more truth than gold, greater fearlessness than pomp of power and wealth, greater charity than love of self. If we will but clean our houses, our palaces and temples of the attributes of wealth and show them the attributes of morality, one can offer battle to any combination of hostile forces, without having to carry the burden of a heavy militia. Let us seek first the Kingdom of God and His righteousness, and the irrevocable promise is that everything will be added to us. These are the real economics."<sup>8</sup>

This way of looking at things and assessing the value of material attainments in the light of the ultimate destiny of man—the perfection and full extension of his personality—has been the ancient Indian way of approaching any human problem. Poverty is a curse and it must be eradicated. Social revolution cannot take place unless freedom from want is secured without any restriction on the mind of the man. This was the reason why Indian nationalism from its earliest beginnings had a large

<sup>7</sup> Harijan, October 9, 1937.

<sup>8</sup> Mahatma: Tendulkar. Op. Cit. Vol I pp. 241-2.

element of economic thinking and social reform. It was rather an unusual feature, to a considerable extent, for any national movement, but it was in keeping with the Indian tradition. Freedom was considered the indispensable means to overcome poverty, to protect the farmer and the artisans, to create socially desirable modern industry, to remove privilege and injustice and to reconstruct the entire fabric of India's social and economic life. As far back as 1876, Dadabhai Naoroji in his paper on 'The Poverty of India' placed these aims in the forefront of the national struggle. As the national movement grew and spread among the people of India, its social content became deeper.<sup>9</sup> In the 'Wake Up India' pamphlets, Mrs. Annie Besant emphasized the significance of political emancipation for the spiritual awakening of the country. (With the coming of Gandhi on the Indian scene, the movement spread with remarkable rapidity to the peasantry and the workers of the country. To Gandhi, freedom was not merely a political objective, but was also a means of raising the masses from their poverty and degradation. The agrarian problem occupied a prominent place in his thinking as it made the uplift of the depressed and the underprivileged one of its major planks.<sup>10</sup> What makes Gandhi different from other political leaders and economists is his emphasis on the spiritual and ethical content of life as well as on the inter-related nature of human problems. There is no isolated problem, and no problem can be resolved by itself. Economics is thus related to metaphysics as well as to other social sciences. "I must confess", Gandhi said, "that I do not draw a sharp or any distinction between economics and ethics. Ethics that hurt the moral wellbeing of an individual or a nation are immoral and, therefore, sinful. Thus the economics that permit one country to prey upon another are immoral."<sup>11</sup>

The aim of every society is to make the best use of its men and materials. No community would like to waste its natural resources. A high level of national income without distorting the real values of life must be achieved. There is no justification, in the Gandhian way of thinking, for wasting material resources of the country. The main emphasis, however, is on the human aspect

<sup>9</sup> The Third Five Year Plan, Planning Commission, New Delhi, p. 2.

<sup>10</sup> Ibid. p. 3.

<sup>11</sup> Mahatma: Tendulkar. Op. Cit. Vol. II. p. 86.

of the problem. In a mad race for acquiring greater amount of material riches, the importance of the individual is lost. While considering the desirability of introducing improved technique of production, its consequences on the individual are often ignored. It was in this context that Gandhi drew the attention of the economists to their moral responsibilities. Wherever there was a choice to employ manpower instead of machines, Gandhi preferred men. The increase in national income, he emphasized, was not desirable if it was based on greater utilization of machines leading to unemployment in the society. "Introduction of labour-saving devices in a country with wolves at the doors should be a flagrant injustice to its dumb population", Gandhi said. While considering the introduction of labour-saving devices, Gandhi desired that their consequences should be considered not merely on the maximization of the total value of production but also on the social cost of unemployment which might result from the decision.

When the level of personal income in a community rises, there is a rise in the level of national income. The converse is not always true. The rise in national income does not always synchronize with an increase in the level of personal income. This is so because of concentration of income in a few hands. The shift of emphasis from the aggregative analysis to the individual welfare, though for the community as a whole it may not show material plenty, made many people feel that Gandhi was aiming at a society of ascetics. This approach to Gandhian thought is fallacious. Though at several places Gandhi vehemently criticized amassing of wealth, he did not see any virtue by itself in renouncing material prosperity. What Gandhi was eager to establish was the value of the individual. He thought that the welfare of the individual was more important than that of the society. In fact, the former would lead to the latter. On the other hand, if the individual was lost sight of, there was a possibility that slums and poverty might exist side by side with affluence in a capitalist society. For this reason, Gandhi abhorred statistical averages, which calculated individual welfare on the basis of total output. He was not an apologist of the aggregative analysis; he attached greater significance to the individual.<sup>12</sup>

<sup>12</sup> The Economics of Village Industries: M. K. Gandhi (Navajivan Publishing House, Ahmedabad 1948), p. 6.

Gandhi did not approve of concentration of wealth. He wanted to reduce its malefic effects. His ideal was equal distribution of wealth.<sup>13</sup> Unless there was equitable distribution of the national cake, Gandhi thought that the individual could not be assured of 'moral and material growth'. For the moral development of a community, it was necessary that the means of production were not concentrated in a few hands. It was also necessary that the national cake was fairly distributed, but there was no fixed correlation between the distribution of wealth and the moral stature of a community. An egalitarian society need not be moral. Gandhi, however, emphasized that grinding pauperism could lead to nothing else but moral degradation. He also suggested that the fetishism of gold would lead to moral turpitude. "Rome suffered a moral fall", Gandhi indicated, "when it attained high material affluence. So did Egypt and so perhaps, most countries of which we have any historical record...In South Africa, where I had the privilege of associating with thousands of our countrymen on most intimate terms, I observed almost invariably that greater their possession of riches, the greater was their moral turpitude.....If I was not afraid of treading on dangerous ground, I would even come nearer home and show you that the possession of riches had been a hindrance to real growth."<sup>14</sup> It was for this reason that the Indian sages derided the craze for making money. Gandhi recalled that "The ancient ideal has been limitation of activities promoting wealth. This does not put an end to all material ambition. We should still have, as we have had, in our midst people who make the pursuit of wealth their aim in life. But we have always recognized that it is a fall from the ideal. It is a beautiful thing to know that the wealthiest among us often own that to have remained voluntarily poor would have been a higher state for them."<sup>15</sup> In keeping with this ancient ideal, Gandhi emphasized that the increase in wealth was necessary only as far as it helped the moral advancement of the nation. The spiritual growth is the ideal for every individual as well as for every society, and material wealth is justified only as far as it helped the unfoldment of spirituality. It is necessary that

<sup>13</sup> Young India, March 17, 1927.

<sup>14</sup> Mahatma: Tendulkar. Op. Cit. Vol. I. p. 238.

<sup>15</sup> Ibid. p. 240.

a synthesis is achieved between the material and the moral values of the people. Problems relating to increase in national income and its equitable distribution must be approached from this synthetic viewpoint.

Much has been said about Gandhi's opposition to machines, but it may be useful to indicate here that his approach to the introduction of machinery in order to increase national income was not based on any prejudice against technological improvements. According to Gandhi, machinery as a means of production was useful in several cases. "The machine is well used if it aids man's labour and simplifies it. ... I have no objection if all things required by my country could be produced with the labour of 30,000 instead of that of three crores. But those three crores must not be rendered idle or unemployed."<sup>16</sup> His opposition to machinery was due to unemployment caused by it. Security against unemployment is the first criterion of every healthy society. If this objective is neglected, all other measures of economic development are barren. According to Gandhi, "In well-ordered society the securing of one's livelihood should be and is found to be the easiest thing in the world. Indeed the test of orderliness in a country is not the number of millionaires it owns, but absence of starvation among the masses".<sup>17</sup> Of the various methods of removing starvation, the distribution of unemployment doles is the worst one. It is degrading to the individual and demoralizing to the community. For a healthy outlook on life, there is nothing better than a satisfying job. It is essential that all resources of the community, and every invention of human ingenuity are directed towards better employment of manpower. "Mechanization is good when the hands are too few for the work intended to be accomplished. It is an evil when there are more hands than required for the work."<sup>18</sup> Men and machines, according to Gandhi, are substitutes for raising national productivity, but the employment of the latter must be considered only in relation to the fruitful employment of the former. While doing so, the social cost involved in the use of mechanical appliances must also be taken into account.

<sup>16</sup> Is Gandhi a Socialist? — M. R. Masani. Published in Gandhiji — His Life and Works (Karnatak Publishing House, Bombay 1944), p. 110.

<sup>17</sup> Mahatma: Tendulkar. Op. Cit. Vol. I, pp. 237-8.

<sup>18</sup> Harijan, November 16, 1934.

It would be folly<sup>1</sup> not to make proper use of scientific and technological innovations. Gandhi emphasized their proper utilization. In a Gandhian society, there was place for machinery, but prior to its introduction, certain other preconditions were to be achieved. As long as food and shelter were not secured to the masses, no machinery could be useful to the country. Full employment of manpower and equitable distribution of national wealth were necessary conditions to be attained before the introduction of the mechanical means of production. There has to be a balance between the mechanical means of production and the available manpower in a community. Gandhi has described his balanced community as follows:

"There will be railways, only they will not be intended for the military or the economic exploitation of India, but they will be used for promoting internal trade and will make the lives of third class passengers fairly comfortable...Machinery there certainly will be in the shape of spinning wheel, which is after all a delicate piece of machinery, but I have no doubt that several factories will grow up in India under *Swaraj* intended for the benefit of the people not as now for draining the masses dry.....Lastly, whilst it will be optional for everybody who chooses to go about in a *langoti* and sleep in the open, let me hope that it will not be necessary as it is today for millions to go about with a dirty rag which serves for a *langoti* for want of the means to buy sufficient clothing and to rest their weary and starving bodies in the open for want of a roof."<sup>19</sup>

### Economic Laws

The laws of Economic Science, according to Gandhi, should be in accordance with the higher laws of life. Gandhi thought that there were many grades of laws in the universe: the laws of nature, the laws of nations, the laws of markets and so on. Whenever the balance between the higher and the lower laws is disturbed, there is chaos. The conflict between the laws of higher and the lower orders, therefore, should be avoided. It was with this aim in view that Gandhi thought of integrating econo-

<sup>19</sup> Young India, March 9, 1922

mic laws with those of human evolution, and of spiritual life. This inter-relationship brings economics much closer to metaphysics.

J. B. Kripalani once said, "Talk in the language of Gandhi, and in terms of Satyagrah, and a concrete, tangible, struggle becomes mystic, spiritual, idealistic and consequently unreal."<sup>20</sup> This is why even economic laws under the impact of Gandhi becomes mystical. He himself said, "I venture to think that the scriptures of the world are far safer and sounder treatises on laws of economics than many modern textbooks".<sup>21</sup>

While discussing the nature of economic generalizations, Gandhi stressed the need for understanding the Laws of Nature, or the Laws of God which regulate the behaviour of every atom of the universe. Economic Laws, according to Gandhi, were merely deductions from the Laws of Nature. The latter are continuously controlling, regulating and guiding human beings so that they may develop their latent faculties. It is expected that the release of the inner content of man would enable him to transcend all separatist tendencies and would raise the individual much above parochial considerations. Under such a situation, he would not function in any anti-social ways. Economic Laws which should attempt to produce not only affluence but also harmony in the community must be related to the Laws of Nature. But it is difficult to discover these laws: they can only be intuited. Intellect fails to grasp them. Gandhi explained the nature of these Laws as follows:

"There is an undefinable mysterious power that pervades everything. I feel it, though I do not see it. It is this unseen Power which makes itself felt and yet defies all proof, because it is so unlike all that I perceive through my senses. It transcends the senses. But it is possible to reason out the existence of God to a limited extent.

Even in ordinary affairs we know that people do not know who rules or why and how he rules; and yet they know that there is a power that certainly rules. In my tour last year in Mysore I met many poor villagers, and I found

<sup>20</sup> The Gandhian Way: J. B. Kripalani. Published in Gandhiji. Op. Cit. p. 75.

<sup>21</sup> Mahatma: Tendulkar. Op. Cit. Vol. I. p. 238.



upon inquiry that they did not know who ruled Mysore; they simply said some god ruled it. If the knowledge of these poor people was so limited about their ruler, I who am infinitely lesser in respect of God than they to their ruler need not be surprised if I do not realize the presence of God, the King of kings.....Nevertheless, I do feel, as the poor villagers felt about Mysore, that there is orderliness in the universe; here is an unalterable Law governing everything and every being that exists or lives. It is not a blind law; for no blind law can govern the conduct of living beings.....The Law which governs all life is God.....Law and law-giver are the one."<sup>23</sup>

If Economic Laws are considered within the general framework of the Laws of Nature, there would be no economic exploitation. Only when the Laws of God are transgressed that the possibility of exploitation is apprehended. The aim of economic undertakings, Gandhi had suggested, was "not killing competition but life-giving competition". He further had explained, "Ignoring the emotion is to forget that man has feeling. Not the good of the few, not even the good of the many but it is the good of all that we are made to promote if we are made in His own image."<sup>23</sup> With the aim of 'good of all', economic laws would be in harmony with the higher laws of God.

Economics should not be concerned merely with abstract generalizations. Gandhi had stated, "People are not governed by theory."<sup>24</sup> Economics must take into account facts of life. It has been observed that human beings are not always actuated by profit motive. Very often, several other considerations influence their behaviour. Furthermore, it is also true that the reaction of men under similar conditions are not always necessarily alike. A science dealing with the behaviour of such beings must, therefore, be considered as functioning in the penumbra of uncertainties. Economics must take into account the unpredictable nature of man. As such, Economic Laws merely indicate certain tendencies; they point the way to attain certain ideals, though in their efforts to reach these ideals human beings may very often fail.

<sup>23</sup> Gandhiji's Ideas. Published in Gandhiji, Op. Cit. pp. 321-2

<sup>23</sup> Harijan, July 13, 1935.

<sup>24</sup> Ibid, January, 20, 1940.

Gandhi did not accept profit motive as the mainspring of the capitalist society. According to him, there were many other considerations which influenced the business decisions of an entrepreneur. While replying to the question 'Is the economic law that man must buy in the best and the cheapest market wrong?', he said, "It is one of the most inhuman among the maxims laid down by modern economists. Nor do we always regulate human relations by any such sordid considerations. An Englishman pays more (and rightly) for the English collier in preference to cheap labour (say) Indian labour. Any attempt to introduce cheap labour into England will lead to a revolution. It would be sinful for me to dismiss a highly-paid faithful servant because I can get a more efficient and cheaper servant although the latter may be equally faithful. The economics that disregard moral and sentimental considerations are like wax work that, being lifelike, still lack the life of the living flesh. At every crucial moment, these new-fangled economic laws have broken down in practice. And nations or individuals who accept them as guiding maxims must perish. There is something noble in the self-denial of the Mussalman who will pay more for food religiously prepared or a Hindu who will decline to take food unless it is ceremonially clean."<sup>25</sup> Gandhi thought that "the rule of the best and the cheapest is not always true."<sup>26</sup>

"Application of the laws of economics must vary with varying conditions".<sup>27</sup> The climatic, geological and the racial characteristics of a nation differ from one to another, but these variations will have to be taken into account for deciding matters relating to the economic activities of the country. The Economic Laws are neither opposed to the Laws of Nature, nor to the Laws of Nations. The Laws of Nature which are unchangeable and universal in essence, are modified for practical application according to the Laws of Nations. The former are the guiding principles, whereas the latter deal more concretely with the special requirements of the country. Economics is more concerned with the latter, while the former is the subject matter of metaphysics. Thus, Economic Laws are, in a certain way, related to metaphysics. The Economic Laws are more concerned with spe-

<sup>25</sup> Young India, October 27, 1921.

<sup>26</sup> Ibid., May 30, 1929.

<sup>27</sup> Ibid., July 2, 1931.

cific situations. "Even though I am a layman," Gandhi said, "I make bold to say that the so-called laws laid down in the books on economics are not immutable like the laws of Medes and Persians, nor are they universal. The economics of England are different from those of Germany. Germany enriched herself by bounty-fed beet sugar. England enriched herself by exploiting foreign markets. What was possible for a compact area is not possible for an area 1900 miles long and 1500 miles broad. The economics of a nation are determined by its climatic, geological and temperamental conditions."<sup>28</sup>

Market laws are concerned with certain special aspects of human activities. These laws deal with mankind in its pursuit of material prosperity. While studying this aspect of life, market laws cannot fail to observe the impact of National and Natural Laws. The market laws cannot remain merely formal in character; they cannot limit themselves only to the explanation of certain implications of scarce means and multiple ends. They cannot relinquish their ethical concatenation either. According to these laws, it is expected that the market would function in such a way that there would be no exploitation and the material resources of the country would be utilized in the best possible way.

<sup>28</sup> Ibid., December 8, 1921.

## Chapter IV

### PROFIT, CAPITAL AND EXPLOITATION

The special sense in which Gandhi has used such terms as Profit, Capital and Exploitation might be examined at the outset, to avoid confusion that otherwise might follow.

Gandhi has used the term Profit in a residuary sense. It is that amount which remains with the entrepreneur after all the necessary disbursements have been made. The entrepreneur incurs expenditure for the purchase of raw materials, payment of wages, distribution cost in reaching the article to the consumer, and the cost of maintaining the capital intact. Under the Gandhian system of production, the distribution cost and the capital depreciation are negligible, and as such, they are left out while estimating the profitability of an undertaking. The cost of raw materials and payments to the workers are important constituents of the cost of production. For calculating profit, they are lumped together and taken out of the total receipt. Whatever thus remains is considered as Profit. It was in this sense that Gandhi said, "The spinning wheel is much more profitable, for the price of yarn in the market is more than the price of cotton plus the wages of a spinner."<sup>1</sup>

The profit accruing to the enterprise, Gandhi thought, went to the entrepreneur and the workers did not share it. The workers bear the burden of industrialization, but the gain from the use of mechanical improvements goes to the capitalist. 'The workers suffer while the masters get the reward'. This was one of the main reasons why Gandhi deprecated the use of any mechanical power. While replying to a question regarding his preference for a spinning wheel when the workers can manage more than scores of spindles at a time, Gandhi said, "And what does he gain, pray, for being able to work scores of spindles at a time? If there is any gain at all, it belongs to the masters."<sup>2</sup>

<sup>1</sup> Young India, April 20, 1921.

<sup>2</sup> Ibid.

Profit is not essential for the survival of any firm or an enterprise. There are many concerns which continue to exist even if there is very little or no profit to them. Handicrafts and many other cottage industries, such as basket making, broom making, ink making, paper making, and others of the same type have been making headway against odds. In several cases, the survival of the handicraft, according to Gandhi, was a mystery; the artisans and the craftsman did their work simply for altruistic motive. Such trades would have been abandoned if profit-making were the basis of every economic undertaking. Many artisans carry their business without any profit expectation; even when other lucrative occupations are available to them, they stick to their old jobs. It is a common experience to find many struggling undertakings endeavouring to maintain themselves under most trying conditions. Men engaged in those concerns are eking out the barest livelihood. But all such enterprises are not abandoned. It is so, because the profitability of an enterprise is not calculated merely in terms of money. Whether a business is profitable or not, useless or otherwise, involves social considerations too. The social cost of any business cannot be determined only in terms of monetary values. Many other non-pecuniary considerations are taken into account for this purpose.

Gandhi did not consider that the accrual of profit itself was wrong. In several instances, it emerged as a matter of course. The profitability of a concern influences many business decisions. The size of the firm, and the fixation of the wage-rate are guided by the level of profit expected in the undertaking. Some of these are important considerations, for which 'notional' profit will have to be maintained; but in such circumstances, the advantage accruing to the society, rather than to the individual should be considered. The difference between the personal and the social profitability of a concern, sometimes, will have to be balanced by distributing the profit accruing to the proprietor of the undertaking to the society in general. One method of doing so is nationalization of the industry. It was in this context that Gandhi said, "I am socialist enough to say that such factories should be nationalized or state-controlled."<sup>3</sup> In some other context, Gandhi had suggested that the management of the undertaking might

<sup>3</sup> Ibid., November 19, 1924.

remain as it exists but the profit accruing to the management could be pooled together and distributed to the workers keeping in view their contribution to the manufacture of the commodity. He said, "Though articles may be manufactured by the villagers in their cottages, they may be pooled together and profits divided."<sup>4</sup> Gandhi thought that any payment to the factory-owner in excess of the remuneration for the managerial skill, was an indication of the exploitation of the workers.

### Nature of Capital

Capital helped production and increased the welfare of the State. It is necessary for every community to accumulate capital, and to prevent its depletion. From the Minimum Living Wage-Rate, which Gandhi considered necessary for the sustenance of the workers, he even approved a cut to be made if "their combined payment means a progressive encroachment on the capital originally invested."<sup>5</sup> Because Gandhi thought of capital as the "source of all wealth"<sup>6</sup> from which even the remuneration of the workers was paid, he felt that capital depletion would mean drying up of the fountain itself, which would imply that workers would ultimately get less. This danger has to be averted.

According to Gandhi, there are two types of capital: 'Money Capital' and 'Labour Capital'. "A labourer's skill is his capital. Just as the capitalist cannot make his capital fructify without the cooperation of labour, even so the working man cannot make his labour fructify without the cooperation of capital." Money and labour are both necessary for production; one cannot fructify without the cooperation of the other. Production is possible only when the "workers bring into the concern their labour power, while the capitalist contributes his money."<sup>8</sup> There is no antagonism between the two: the difference between the two lies in the fact that the workers do not know their strength whereas the businessmen are fully aware of it. This is due to the lack of

<sup>4</sup> Harijan, November 16, 1934.

<sup>5</sup> A Charter for Labour: Gulzarilal Nanda. Published in Gandhiji. Op. Cit. p. 181.

<sup>6</sup> Ibid. p. 181.

<sup>7</sup> Harijan, July 3, 1937.

<sup>8</sup> A Charter for Labour: Gulzarilal Nanda. Op. Cit. p. 181.

intelligence, disorganization and poverty of the workers which diminish their bargaining capacity. Gandhi said, "If both labour and capital have the gift of intelligence equally developed in them and have confidence in their capacity to secure a fair deal, each at the hands of the other, they would get the respect and appreciate each other as equal partners in a common enterprise. They need not regard each other as inherently irreconcilable antagonists..... But the difficulty is that whilst today capital is organized and seems to be securely entrenched, labour is not."<sup>9</sup>

There is nothing inherent in capital to compel it to exploit the people. The fault is with the system. "I do not fight shy of capital. I fight capitalism", said Gandhi.<sup>10</sup> In any system of production capital played an important role, but the conflict between labour and capital arose due to the fact that capital was used in such a way that the selfish rather than the social good was served by its employment.

Gandhi did not think it meaningful to classify capital as 'Indigenous' and 'Foreign'. Capital could be borrowed from whomsoever it was available but planning and direction of the concern could not be entrusted to everybody. The nature and management of the concern determined the nature of the industry; how far the production of any commodity was useful for the society depended on the system of production under which the article was produced. It is not necessarily the capital employed in any concern or the birthplace of the worker engaged there which determined the usefulness of the output. If capital and labour, both, are used for the good of the community, both are desirable. While defining a *Swadeshi* article, Gandhi stated, "Any article is *Swadeshi* if it subserves the interest of the millions, even though the capital and talents are foreign but under effective Indian control. The Khadi of the definition of All India Spinning Association would be true *Swadeshi* even though the capital may be all foreign and there may be western specialists employed by the Indian Board. Conversely, Bata's rubber or other shoes would be foreign though the labour employed may be all Indian and the capital also found in India."<sup>11</sup>

<sup>9</sup> Harijan, July 3, 1937.

<sup>10</sup> Young India, October 7, 1926.

<sup>11</sup> Harijan, February 2, 1939.

Capital can be quickly organized and it has a tendency to concentrate in a few hands. When proprietorship of capital is limited to a few hands, the capitalists become powerful. Gandhi abhorred such concentrations. In an open letter to the Parsis, Gandhi wrote, "What India needs is not concentration of capital in a few hands, but its distribution so as to be within easy reach of  $7\frac{1}{2}$  lakhs of villages that make this continent 1900 miles long and 1500 miles broad."<sup>12</sup> "My ideal," he wrote on another occasion, "is equal distribution."<sup>13</sup> As there is a tendency for capital to be quickly organized which is not so for labour, Gandhi suggested that the workers should also organize themselves. He wanted the union of workers to transcend national boundaries and the workers of different countries to come close to one another. Ultimately, he wanted the Indian workers to try to form an alliance even with the British labour, though the nations were hostile to one another.<sup>14</sup> The union of workers would decrease the possibility of exploitation resulting from concentration of capital. Industrial disharmony could be considerably reduced if both types of capital — Labour and Money — were well organized. In that way, it could be possible also to safeguard the interest of the individual workers. Every country must safeguard her people from industrial malpractices. This could be effectively done if the workers were also well organized.

Though Gandhi criticized concentration of capital in a few hands, he did not deny the importance of capital accumulation. Large-scale industries which require large amount of capital have been assigned their right place in the national economy. Large amount of labour and money are both needed for these industries. But larger the undertaking, greater is the capacity to accumulate capital. Larger the amount of capital under the control of a single proprietor, greater is his competitive strength. Complications arise due to difference in the competitive strength of Labour and Money Capital. This difference gives the power of exploitation to the capitalist. The power of exploitation is inherent in the proprietorship of capital.

There are two ways of removing the undesirable conse-

<sup>12</sup> Young India, March 23, 1921.

<sup>13</sup> Ibid., March 17, 1927.

<sup>14</sup> Ibid., December 29, 1920.



quences of concentration of capital: firstly, there should be decentralization of the ownership of capital — let each individual be a master in his own little world — and secondly, there should be complete State control over the use of capital. These methods can be adopted for different forms of business undertaking either separately or jointly. There are also other ways of rendering assistance by the government. In some cases, it may be possible “to supply the villagers with cotton seed, cotton, wherever required at cost price and the tools of manufacture also at cost to be recovered in easy instalments payable in, say, five years or more.”<sup>15</sup> In the case of heavy industries, Gandhi favoured State ownership. He said, “Without having to enumerate key industries, I would have State ownership, where a large number of people have to work together. The ownership of the products of their labour, whether skilled or unskilled, will rest in them through the State.”<sup>16</sup> The governmental assistance to the workers or the regulation of the industry is aimed at bringing about a balance between the two — the Labour Capital and the Money Capital.

### Nature of Exploitation

Exploitation is depriving the worker of his legitimate share in the gains of the undertaking. While estimating the magnitude of exploitation, both the monetary benefits accruing to the workers as well as other advantages provided by the undertaking to its employees and to the community must be taken into account. Crudely, the degree of exploitation can be expressed as the difference between the payment to the worker and what he actually deserves. There is a difference between the Basic Wage Rate and the Minimum Living Wage Rate. According to Gandhi, the latter was related to the subsistence requirements of the worker. If the actual payment was less than the Minimum Living Wage Rate and the worker was unable to maintain himself and his family members on that amount in a respectable way, it was tantamount to exploitation. But, in another sense, any payment which was less than the Basic Wage Rate was also considered exploitation. The Basic Wage Rate depended upon several

<sup>15</sup> Harijan, April 28, 1946.

<sup>16</sup> Ibid., September 1, 1946.

factors such as, the value of the product which the artisan produced, the type of the job performed, time and money required for acquiring the necessary skill as well as the bargaining strength of the Trade Union to which the worker belonged. The Wage rate thus determined also took into account the differential requirements of the job performed. In practice, the worker might not get as much as his Basic Wage Rate. The difference between what the worker deserved in either of the two senses, and what he was paid, Gandhi considered as the amount of exploitation.

Under perfect competition, the workers are exploited by industrialists in their attempt to secure higher rates of profit. It is not possible for a single entrepreneur to influence the market price of any commodity as long as competition is perfect. Prices of raw materials which he requires for his undertakings are also decided by market forces. If he wants to reduce the market price of any commodity, he would find himself unable to do so. If he wants to produce any commodity, he would have to buy raw materials at the market price. He may even find himself unable to alter the prices of his own wares. Under such conditions, there is an inverse relationship between the profit margin of the entrepreneur and the remuneration paid to the worker. One cannot be increased without diminishing the other. The entrepreneur is interested, in the capitalist system of production, to maximize his profit though it may not always be ethically justified. The profit can be increased only if the entrepreneur succeeds in reducing his cost of production which also includes the cost of employing labour. Ordinarily, the entrepreneur finds it more convenient to reduce the wages paid to the workers than his other disbursements. "Where may the axe be laid if not upon the artisan's earnings?", Gandhi enquired. He further stated, "Unless a minimum rate be fixed, there is every danger of the village artisan suffering."<sup>17</sup>

Exploitation is a cumulative process. Once it is begun, it impoverishes the craftsmen which further reduces his bargaining capacity. A chain reaction starts and it becomes difficult to stop the process. The national economy itself is affected. The exploi-

<sup>17</sup> Harijan, July 13, 1935.

tation of the textile workers in India illustrates the point under consideration. During the early years of twenties, exports of cotton yarn increased though the indigenous artisans needed it for their work. There were two adverse effects of this: firstly, it enabled the Lancashire textile manufacturers to compete against the Indian artisans in the production of coarse cloth, and secondly, it impoverished the Indian weavers. Such exports were detrimental to the Indian crafts, and they adversely affected the Indian weavers. Consequently, the textile industry in the country declined. This tendency could not be checked because, as Gandhi thought, the country was "so poor and helpless that she could not resist the temptation of making a little profit" out of these exports even if they meant the decline of her industry.<sup>18</sup> It was another sort of exploitation which was of a lasting character. As a result of this type of exploitation, the national economy was badly hit; the balance between various activities was disrupted to such an extent that it could not be easily set right.

In another sense, the term exploitation is used to suggest the moral and material neglect of the country. If the national resources were neglected and the country continued to suffer unemployment and enforced idleness, the community could be considered exploited. Gandhi said, "The criminal neglect of the peasants and artisans of India has reduced them to pauperism, dullness and habitual idleness. With her magnificent climate, lofty mountains, mighty rivers and an extensive sea-board, India has limitless resources whose full exploitation in her villages should have prevented poverty and disease. But divorce of intellect from body-labour has made us perhaps the shortest lived, most resourceless and most exploited nation on earth."<sup>19</sup> This type of exploitation expands like a snow-ball. Enforced leisure weakens specialization as well as the bargaining capacity of the worker. It demoralizes him completely. When zest is lacking, the worker cannot be induced to work hard either for himself or for his country. That is frustrating. Gandhi expressed his resentment to this situation and thought that such people could not work for the welfare of the society. "These people could never win Swaraj. For their involuntary and voluntary idleness made them

<sup>18</sup> Young India, March 23, 1921.

<sup>19</sup> Harijan, September 7, 1934.

perpetual prey of exploiters, foreign and indigenous."<sup>20</sup> This type of exploitation would cease to operate when the workers are properly aroused to their responsibilities and are no more apathetic to their backwardness. Once they became conscious of this situation and actively struggled to improve their lot, this type of exploitation would cease to operate.

The exploitation could be done both by foreigners as well as by the indigenous industrialists. It would be erroneous to blame only the outsiders for this sort of activity. Even the indigenous industrialists who take risk in pursuit of selfish gain exploited the country as much as the distant capitalists. As a result of this type of exploitation the country formed a part of the greater hinterland of exploited territories. According to Gandhi, Ahmedabad and Bombay, the two important textile weaving centres in India, were nearer to Lancashire and Liverpool than to their nearest villages. The growth and development of transport facilities and other financial and fiscal regulations which aided the capitalist system of production have closely linked the distant manufacturing centres and have raised colossal walls between the rural and the industrial areas. The individual or the organization which accentuated the increasing gulf between the agricultural and manufacturing conglomerations of human settlements were guilty of encouraging exploitation. Those who have endeavoured to reduce the gulf have made a valuable contribution towards establishing a better society. With this aim in view, Gandhi had started the All India Village Industries Association. He said, "Let not the A.I.V.I.A. intensify the exploitation under the guise of philanthropy. Its aim is not to produce village articles as cheap as possible; it is to provide the workless villagers with work at a living wage."<sup>21</sup> Unless there was guarantee against poverty, there could be no safeguard against exploitation. Only with this safeguard, the motivation towards migration to industrial centres could be weakened, and balance between the rural and the urban areas established. Only under such circumstances could the exploitation of the poor, and the under-paid workers be eliminated.

<sup>20</sup> Harijan, December 7, 1934.

<sup>21</sup> Ibid.

## Chapter V

### IDEAL ECONOMIC ORGANIZATIONS

While explaining the goal of the Gandhian system of production, Mahadev Desai wrote, "The ideal economic condition of a country is not to remain an exporter of raw products for foreign countries but to be self-contained."<sup>1</sup> Self-contained economy is the basis on which the entire Gandhian framework of community life is based. To strengthen his argument for creating such communities, Mahadev Desai quoted Arthur Kitson who had suggested that "The ideal economic condition of an industrial nation is to be self-contained, i.e. to be able to produce every necessity and as many luxuries of life as possible, sufficient for supporting the population". The opinion of the *Catholic Herald* of India was also endorsed which had made the point that, "England must return to the stable equilibrium of a semi-agricultural, semi-industrial country; if she wants to have her predominance she must go back to the land to produce her own food, re-establish land proprietorship, reinstate a healthy and vigorous peasantry, though it must ruin a few of her Jews and capitalists." Gandhi, while explaining the meaning and scope of All India Village Industries Association, had expressed a similar view. He said, "We shall have to find out whether the villager who produces an article or foodstuff rests content with exporting it and with using a cheap substitute imported from outside. We shall have to see that the villagers became first of all self-contained and then cater for the needs of the city-dwellers."<sup>2</sup>

#### Self-Contained Community

Self-contained community, according to Gandhi, had immense potentiality for its growth. The difficulty, however, arose as to the unit which could be considered self-contained. According to Gandhi, an area covered by a radius of five miles could be considered the Basic Unit, of which the centre was not a fixed one. Each Basic Unit penetrated several others. Each indi-

<sup>1</sup> Young India, April 20, 1921.

<sup>2</sup> Harijan, December 7, 1934.

vidual or the family could be considered the centre of the unit. The concept of self-contained Basic Units, however, could be considered Notional. Theoretically, it might be impossible to define a self-contained region, but for practical purposes, every individual residing in an area knew how far his 'unit' extended.

Each Basic Unit has a Natural Consumption Pattern depending upon (i) geological situation of the locality, (ii) physiological and temperamental conditions of the people, (iii) customary and traditional regulations prevalent in the community, (iv) occupational pattern and economic undertakings pertaining to the region and (v) educational and cultural attainment of the people. These factors determined the mode of living in a community, and therefore, its consumption requirements. Natural consumption requirements of the community would determine its Natural Consumption Pattern.

An important reason for the emphasis on Natural Consumption Pattern was Gandhi's desire to incorporate rationality in the demand structure of the community. At present, little effort is made to discover the natural requirements of an individual or of the community. If production has to satisfy necessities of the people, the real needs, rather than those expressed in monetary terms, should be taken into consideration. Such requirements would vary from one place to another. What is essential for one community need not be beneficial for another: the whole gamut of forces, namely, physical, psychological and temperamental, influencing the natural requirements of the community must be taken into account for determining its Natural Consumption Pattern. Unless this Pattern was assigned its due role in the economy of a nation, harmonious policy for the economic development of the world as a whole could not be evolved. According to Gandhi, "The Indian conditions are different from the English...What is meat for England is in many cases poison for India. Beef tea in the English climate may be good, it is poison for the hot climate of religious India. Fiery whisky in the north of British Isles may be a necessity. Fur coats in Scotland are indispensable; they will be intolerable burden in India. Free trade for a country which has become industrial, whose population can and does live in cities, whose people do not mind preying upon other

nations and sustain the biggest navy to protect their unnatural commerce, may be economically sound.'<sup>3</sup> The same rule of conduct cannot be justified for every place; it will differ from one country to another.

There are several factors which distort the Natural Consumption Pattern of a community, the most powerful factor being what is known in modern economics as the Effective Demand. Gandhi was aware of the fact that the nature and scale of production in the contemporary society were determined by the consumers' demand backed by purchasing power. Manufacturers, as a rule, have no preference save what the public imposes upon them. For example, Gandhi argued, if the spectators of a dramatic performance insisted upon khadi dresses for the actors and actresses of the show, the proprietors of the dramatic companies would have been compelled to adopt them and present their plays in that way.<sup>4</sup> It is not the real demand of the people that the businessmen are eager to satisfy: it is through the pecuniary forces that the Effective Demand influences the producer. Concentration of wealth, therefore, enables the rich men to have everything they desire; it does not matter either to them or to the producers that the poor persons might have been deprived even of the basic necessities of life. As long as unequal distribution of wealth continued to exist in a community, this tendency would prevail and there would be distortion of the Natural Consumption Pattern.

Mass propaganda depending upon irrationality and ignorance of the consumer adversely affects the Natural Consumption Pattern of a community. It is apparent as in the case of the consumption of mill-rice and mill-made sugar, that the demand is not necessarily based on logic and commonsense. Laboratory analysis has shown that the food value of hand-pounded rice is more than that of polished rice; jaggery is preferable to mill-sugar. Gandhi argued that the uneducated consumers who did not know the real implications of the clinical tests, could have been pardoned if they selected the unhealthy stuffs, but in fact, it was the educated class who went in for polished rice and

<sup>3</sup> Young India, December 8, 1921.

<sup>4</sup> Ibid., November 17, 1921.

mill-made sugar. That demonstrated the irrationality of consumers' behaviour. Gandhi had also suggested that the so-called cheapness of the mill-made cloth was another example of the irrationality of the consumer. "If spinning and weaving mills have displaced thousands of workers, the cheapest mill cloth is dearer than the dearest Khadi woven in villages, yet ignorance about the social cost of the manufactured cloth has put the balance in favour of the mills." Billions of consumers are unable to express their requirements because they do not know where their real interests lie.

Thirdly, the consumers are unorganized and as such, are unable to exert any influence on the production decisions of the businessmen. Whatever goods the manufacturers intend to produce and supply to the market, the consumers will have to accept even if they were unable to satisfy their exact requirements. This tendency will continue as long as the consumers and the producers are kept apart. Unless the consumers and the producers are brought together, and the consumers are provided with those goods and services which they require or desire, the concept of consumers' sovereignty would remain mythical.

The self-contained Basic Units have well-integrated production plans. Production in such a community is necessarily linked with the natural consumption requirements of the region, and production is itself limited by the availability of natural resources and human talents. The Production Possibility of an area would be determined by minerals, fauna and flora, geological and climatic conditions as well as by the presence of different types of animals found in the locality. The stage of growth of the community also would have considerable influence on the determination of the Production Plan of the locality. In deciding the Production Possibility of an area, every form of available resources which could be used for the satisfaction of the requirements of the community would be taken into account. The Schedule of Production Possibilities would be drawn on the basis of the available resources, keeping in view the natural consumption requirements of the locality.

While drawing the Production Plan of a community, Gandhi desired that the foreign exchange component of the Plan be



reduced to the minimum. In this context, Gandhi thought that everything which was not produced in the community and was brought in from outside could be treated as imported. All raw materials required for producing various commodities in the locality should, ordinarily, be available in the area itself. The model of houses, dress requirements as well as the eating habits of the people would be such that they could be satisfied by the articles available in the neighbourhood. In such a community, the aggregate expenditure would be equal to the aggregate income; there would be no leakage. Even imports would be permitted only on the condition that the community had surplus output to pay for them. Only bilateral trade could be carried on with areas outside the region.

In self-contained communities, changes in one would begin a chain reaction in all other self-contained communities, just like a ripple ultimately disturbing the placidity of the entire lake. Progress made in one region would influence the economic life of other communities. Whenever any socially desirable step is taken in any single village, it would bring some transformation for the nation as a whole. How significant is the transformation would depend upon the intensity of the initial impact.

### Size of the Firm

The introduction of mechanical means of production starts a series of chain-reactions beginning with increase in the volume of production and satisfaction of a higher level of demand but ultimately disrupting the secured relationship between the individual and his society and making him completely neurotic. Under this system of production, the size of an undertaking could be colossal; even the manufacturing centre itself might be the size of a city. Who would deny that the modern city of Jamshedpur has not grown merely as a function of the Tata Iron and Steel Company? Such giant enterprises compel individuals working within the factory premises or residing in the neighbourhood, to reorient their lives so as to adapt themselves to the artificial conditions of the industrial society. In this set-up, man becomes subordinate to machines. But Gandhi wanted to reverse the process. Because machine was intended to assist man, Gandhi saw no virtue in working machines to maximize produc-

tion without any enquiry into the necessity of increasing the volume of production. Under the Gandhian system of production, more attention is given to the consumption requirements of the society, social consequences of the economic enterprise and to the unfoldment of spiritual values in the individual, rather than to merely increasing the volume of production and cheapening the cost of it. The size of the firm under such a system, therefore, is a function of social forces operating in the community in which the unit is located.

Many of the drawbacks of the capitalist system of production arise as a result of the widening gulf between the consumer and the producer. In such a community, the plan for consumption and the decision for production are made by two different sets of people, and it is expected that the 'invisible hand' of the price-mechanism would balance the two. This, however, does not always happen and much of the economic troubles of the modern society result from this imbalance. It was to bridge this gulf, which Gandhi considered essential for the balanced growth of the economy, that he advocated revival of the domestic system of production. In such a system, the consumer himself is the producer or, at any rate, the proximity of the consumer and the producer enables the one to have a better understanding of the requirements of the other. This could not happen when the scale of operation is so big that the individual becomes just a part of the system which is aiming at capturing the market at any cost.

Gandhi had greatly emphasized the role of village and cottage industries. His was a human system of production in which the primary consideration for deciding the suitability of any economic organization was given to the welfare of the community. In Gandhian economy, full utilization of industrial capacity was not an objective; the scale of production was the function of the requirements of the community in which the firm was located. Obviously, the price of an article produced in those firms was not the technically feasible minimum, but there was no danger of undercutting either.

It is often suggested that the small-scale enterprises would restrict the volume of production, reduce national income and retard the economic progress in a country. But Gandhi thought

otherwise. He rejected the allegation that he was trying to put back the clock of modern civilization. He had no doubt in his mind that he would increase national income if he could help the small industries.<sup>5</sup> The cottage industry, according to Gandhi, was capable of limitless expansion without requiring much capital and it could provide honourable employment to those who were starving for want of it.<sup>6</sup> In a few cases, the size of the firm had to be big, but not so in every case. For a balanced growth of the economy it was necessary that the large and the small industries developed in harmony with one another.

The fact that the size of a firm is closely related to the size of the conglomeration of human settlement where it is located or the size of the market for which it caters cannot be overlooked. The larger units of production are more suitable for urban areas, whereas the cottage industries are more appropriate for meeting the requirements of the village. And, Gandhi had said, there was no reason why all inhabitants of the country should reside either in the rural or in the urban settlements. Both the rural as well as the urban areas served their rightful function in the national economy. It would be wrong to suggest that the emphasis on village industries, in any way, indicated that Gandhi was advocating exodus of population to rural areas. He merely asked the nation "to render unto villages what was due to them".<sup>7</sup> His emphasis on village and small industries did not imply that he was antagonistic to industrialists and mill-owners: he claimed that the industrialists would bear him out when he said, "I have not failed to help them when I could".<sup>8</sup> Gandhi was not opposed to large-scale manufacture though he emphasized the role of self-contained rural units and the possibility of increasing national income without bringing about the evils of industrialization. His emphasis was on increasing the welfare of rural communities. It was in this context that he said, "If the villagers did not merely grow raw products but turned them into marketable products, and because in great many cases

<sup>5</sup> The Economics of Village Industries: M. K. Gandhi. Op. Cit. p. 5.

<sup>6</sup> Harijan, September 14, 1934.

<sup>7</sup> Ibid., December 7, 1934.

<sup>8</sup> The Economics of Village Industries: M. K. Gandhi. Op. Cit. p. 5.

the producer will be, himself, the consumer, the villagers would add a few more pies to their daily income."<sup>9</sup>

Gandhi apprehended that the advocates of mechanical civilization would consider his ideas slow and unprogressive. Nevertheless, he stated that,

"People might criticize that (his) approach as being slow and unprogressive. I did not hold out promise of dramatic results. Nevertheless, it held the key to the prosperity of both the soil and the inhabitants living on it. Healthy, nourishing food is the alpha and omega of rural economy. The bulk of a peasant's family budget goes to feed him and his family. All other things come afterwards. Let the tiller of the soil be well fed. Let him have a sufficiency of fresh, pure milk, and ghee and oil, fish, eggs, and meat if he is a non-vegetarian. What could fine clothes, for instance, avail him, if he is ill-nourished and underfed? The question of drinking water supply and other things would come next. A consideration of those questions would naturally involve such issues, as the place of plough cattle in the economy of agriculture as against the tractor plough and power irrigation etc., and thus bit by bit, the whole picture of rural economy would emerge before them. In this picture cities would take their natural places and not appear as unnatural, congested spots or boils on the body politicus they were today."<sup>10</sup>

<sup>9</sup> *Young India*, April 20, 1921

<sup>10</sup> *Harijan*, August 25, 1946.

## Chapter VI

### STRUCTURE OF RURAL ECONOMY

Gandhian approach to economic problems is related to the basic structure of the rural life. The village organization is complex, and a study of it would involve many heterogenous features. In spite of apparent differences, certain distinctive characteristics of these villages have, however, persisted throughout the ages. Two basic features which have been the fundamental determinants of every rural relationship are the structure of the caste system and the pattern of agricultural activities. These have been the two essential moulders of the villagers' life.

An Indian village is much different from any industrial community in the West. Every rural district in India, whether it is situated in the hilly districts of the north or in the palmyra gardens of the south, appears a part of the natural setting in which it has grown; it does not appear an aberration from its natural environment. The industrial civilization has not invaded it so far. Most of these villages are far from the railroad link. Several farm houses are inaccessible except on foot: only a pedestrian can reach the distant and obscure corners of the village. In rainy seasons, many of these villages are turned into small islands surrounded by rain water. This seclusion has enabled the villagers to mingle with nature profusely which otherwise would have been impossible.

The basic requirements of the village-folk are very few. They need less than a square yard of cloth to cover their nudity. They rarely eat more than twice a day; their menu contains those foodgrains and vegetables which grow in the locality. They dwell in huts built of straw and mud, sometimes, of planks of wood as in the hilly area, but these houses are neatly kept and in many cases artistically decorated. The residential houses are clustered in the centre of the village. Arable land spreads out from the centre in numerous small strips. Consolidated holdings are exceptions: farmers very often have to cultivate fields situated on extreme ends of the village, thus entailing much loss of their

time and energy. Subdivision, fragmentation and scattered holdings have impeded the introduction of mechanical means of cultivation and have handicapped large-scale agriculture. Whatever leisure remains after doing the agricultural work the villager devotes to other subsidiary occupation if facilities for such work exist there. The remaining hours are spent in religious discourses, social service and other community activities.

Away from the din and bustle of the city, these simple villagers have developed a philosophy of their own which is very satisfying and fulfilling to their life. Their economic activities, desire to evolve in spirituality, serviceability to their fellow-beings, all grow out of their conception of life. They are not callous, but they attach no importance to mortal existence either. Birth of a boy is as much a natural event as the death of a family member; in either case, the natural balance of the family or of the community is not upset. Assistance of medically qualified midwives is not considered essential; for curing any illness, the indigenous system of medicine satisfies their requirements. A villager does not repent the loss of life. Expectation of an average life is low, but he does not vie for a very long life and suffer psychological tension. Life does not hold any glamour for him, but he is not a gloomy person. He believes in the universal compassion and mercifulness of nature, and endeavours to live a natural life trying to do good to his fellow-beings.

### Caste System

The structure of caste system reveals certain interesting features. The origin of the system goes far back to the antiquity of the Aryan race when Lord Manu gave the Law governing the relationship between different constituents of the society. He wanted to maintain certain amount of purity of the stock which was necessary for discharging special functions in the community. There are many orientalists who think that the caste system was related to the four stages of growth, namely, the Brahmacharya-shram, Grihasthashram, Vanaprastha, and Sanyasa, which were necessary for the growth of the individual soul. Whatever may be the esoteric implications of this system, during the last several centuries they have been handed down as functional groupings. Different castes were primarily constituted of those persons who

had acquired proficiency in certain activities. In order to preserve the valuable experience thus gathered, the caste system was of great value. Moreover, it was felt that the stability of the society could be ensured if every individual discharged his obligations properly, and the caste system to a considerable extent trained him to do so.

There were four main castes, namely, Brahman, Kshatriya, Vaisya and Sudra. The Brahmans mainly concerned themselves with educational and religious activities. They studied various scriptures and advised the kings and the people about the right discharge of their obligations. They were the moral guardians of the people and any lapse of that sort was for them to remedy. They educated the young men and trained them for different suitable avocations. The Kshatriyas protected the community, maintained order and defended it whenever anyone attacked. Kings and commanders, soldiers and administrators, statesmen and diplomats belonged to this caste. The Vaisyas were the traders. Each individual who worked for the sustenance of the community in some form or the other belonged to this group. Numerically, this is the most predominant caste in every village. The Sudras as a caste earned their livelihood by rendering personal service to the people. They looked after the sanitation of the community.

During the course of history, the caste system has undergone certain modifications. Within the broad category of the four castes, many others sprang who specialized in a narrower field of activity. When different races invaded India and settled down there, they were also absorbed in the system. They were included in different groupings depending on their vocations. The modern caste system is of hybrid growth.

The numerical strength of the people constituting different groups depends upon the pattern of economic activities prevailing in a community. At present, there are many castes with different spheres of specialization. Of the Muslim community, the Julahas and the Sheikhs, and of the Hindus the Ahirs and the Chamars and in some areas the Jaths and the Rajputs predominate. In some regions, certain other castes are important depending upon the special activities followed there. The

pattern of economic activities determines the predominance of any caste in a community. The Muslims are the traditional weavers, the Ahirs tend the cattle and Rajputs cultivate the soil. The Chamars work on hides and skin. The Telis manufacture and sell oil as their hereditary occupation, whereas the Mallahs are the fishermen. Several other castes, such as Kurmis, Koiris, Dushads, Kanus, Nonias, Nairs, Menons work in one or the other trade. Presently, the castes have remained merely a replica of the past functions and persons belonging to one caste are found doing work that would have been the responsibility of some other caste.

An advantage of the caste system was that the relationship between the individual and the community was very secure. Certain families were earmarked for certain special functions which were valuable for the community. Individuals born in those families imbibed the trade secrets from their very birth and they knew what they would be expected to do when they grew up. Thus the ancient Indian community had a well-integrated fabric of social life which during the last one and a half century is being disrupted. About the caste system, Gandhi once remarked, "What is the system of *Varnashrama* but a means of harmonizing the difference between high and low, as well as between capital and labour?"<sup>1</sup> In fact, the caste system was one of the essential features of the village life which had maintained its coherence and stability.

### Pattern of Agriculture

Agriculture is the core of the Indian economy, but the pattern of cultivation and the problems of different crops are so varied that no uniform policy could be effective for the entire country. It is necessary to consider the climatic and geological conditions as well as the time of sowing, irrigation, harvesting and other activities relating to different crops for formulating measures intended to increase agricultural productivity and to raise the farmers' income. Of the several crops cultivated in

Amrita Bazar Patrika: August 3, 1934. Quoted in Socialism of My Conception — M. K. Gandhi. Edited by A. T. Hingorani (Bharatiya Vidya Bhawan, Bombay, 1957), p. 269.



India, the problems of a few of them such as paddy, wheat and sugar-cane would be indicated below as illustrations.

(i) *Paddy*

Paddy is one of the major foodcrops grown in eastern and south India. The plant is about five feet high and grains are formed in bunches at the top. It requires rich alluvial and loamy soil. At the time of its plantation and during the period of its growth heavy rainfall is needed. Brilliant sunshine is required for maturing the corn. The plant requires constant supply of water for its growth, but it should not be submerged in it.

There are two types of paddy cultivation, namely, the direct method of cultivation, and secondly, the transplanted paddy. Details of cultivation will differ for the two types, but generally speaking, they are sown shortly after spring. It takes about two months for the plant to grow to the height of five to six inches. Then weeding is necessary. This can be done by hand only. The advent of the monsoon in north during the months of May-June provides natural water to these plants, in absence of which irrigational facilities are required. Harvesting is done in November-December. Subsequently, thrashing and husking are done.

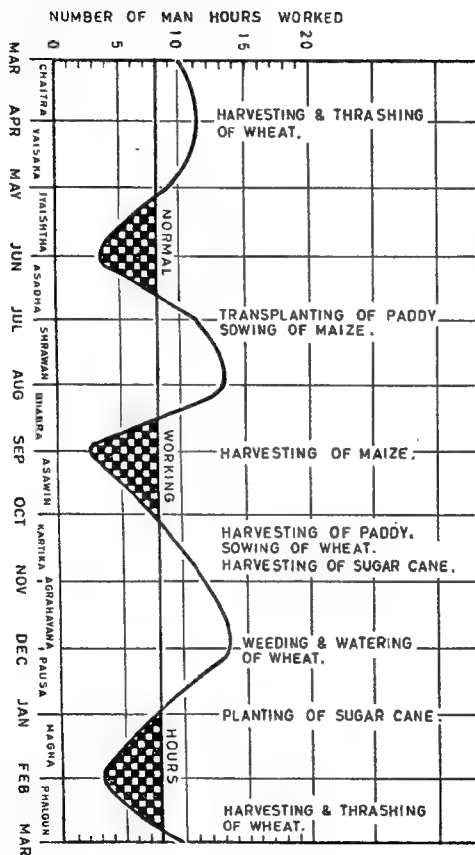
(ii) *Wheat*

Next to rice and jowar, wheat is the most largely grown crop in India. The wheat corn is formed at the top of the stalk which grows more than three feet high. The plant, like that of rice, requires rich alluvial soil, but it does not need so much of rain. The cultivation of wheat is possible in almost every climate, but as a rule it needs moisture at its germination period, and brilliant sunshine when the corn is formed and is to mature. Methods of wheat cultivation vary according to climatic variations. In India, however, during the months of October-November the field is ploughed, levelled and seeds are scattered. About two months later, weeding is done. While the plant is growing it is good to have irrigation; wheat grows abundantly in areas with irrigational facilities. Harvesting is done in March-April and subsequently, other operations are carried on.



# RHYTHM OF EMPLOYMENT

PERIOD OF UNDER-EMPLOYMENT IN AN AGRICULTURAL COMMUNITY  
(with paddy, wheat, sugarcane & maize as the main crops.)



### (iii) *Sugar-cane*

Sugar-cane cultivation, which is a unique feature of the tropical agriculture, represents special problems. Sugar-cane cultivation is very different from many other crops such as paddy or wheat. Sugar-cane plant is more than fifteen feet high and at the top of it are half a dozen blades which are more than three feet long. In order to sustain the growth of such a long stalk, the soil has to be very nutritious and irrigational facilities very satisfactory. Sunshine gives maturity to the sap and watering facilities determine the amount of juice in the cane.

The seed of sugar-cane is not scattered in the field. It is sown differently. Small pieces of sugar-cane with two or three joints in them are cut and put in furrows and then they are covered with soil. Sprouts come forth from the joints. At this stage, considerable attention is required to see that the plant is well formed. Additional amount of soil is put around the plants so that the base is secured. Unless the root is strong, it will be difficult for such a long stalk to be erect. One of the methods for the 'earthing' is to carefully re-plough the gap between the rows of the plantation. Due to ploughing at this stage, the furrows excavate ground which is collected in the adjacent rows which reinforces the base. Abundant supply of irrigational water helps even the roots to form strongly.

The planting of sugar-cane is done in February-March and harvesting in October-December. The plant is not completely taken out at the time of harvesting as it is in the case of rice and wheat; they are cut from a height of about one foot, leaving the remaining stalk on the ground itself. The stalk thus left will have two or three joints in it from which sprouts will come forth in the following season. It is only after a cycle of two to three years that the complete stalk is taken out of the ground or burnt on the field. Ashes thus obtained are sprinkled on the field which serve as additional manure. The burning of the stalk on the field, however, is not a very common practice.

The cane can be processed as sugar in two ways: it can be sent to the sugar-mills where it can be crushed mechanically and sugar manufactured in mills, and secondly, it can be crushed

domestically with the help of small tools composed of iron cylinders and brown sugar which is more nutritious is thus obtained.

There are many other crops and vegetables grown in villages. The pattern of agriculture is an important determinant of the livelihood pattern of the people. Any subsidiary occupation that should be found out for the villagers must take this pattern into consideration.

## Chapter VII

### FULL EMPLOYMENT

The consequences of not achieving full employment, which is a very complex problem, may be dangerous for any society. But industrialization, according to Gandhi, is no solution of it: even America which is the most industrialized country in the world has not yet banished poverty and degradation.<sup>1</sup> The doctrinaire approach fails to provide employment to every individual in a community. It lays stress on the fact that the volume of employment, given the level of technology, is directly related to the volume of output. Moreover, it is necessary to increase the level of effective demand in order to provide necessary inducement for increasing the volume of production. Gandhi aimed at providing employment to *every* individual; he did not believe in the doctrine of the greatest good of the greatest number. "It means in its nakedness", he said, "that in order to achieve the supposed good of 51 per cent, the interest of 49 per cent may be, or rather should be sacrificed. It is a heartless doctrine and has done harm to humanity."<sup>2</sup> Large-scale industrialization does not give employment to all. As regards raising the level of demand in order to sustain a higher level of production, Gandhi said, "I do not believe that multiplication of wants and machinery contrived to supply them is taking the world a single step nearer its goal... I wholeheartedly detest this mad desire to destroy distance and time, to increase appetites and go to the ends of the earth in search of their satisfaction. If modern civilization stands for all this, and I have understood it to do so, I call it Satanic."<sup>3</sup> On another occasion, he indicated that the multiplication of wants does not lead to human happiness. "Man falls from the pursuit of the ideal of plain living and high thinking, the moment he wants to multiply his daily wants. History gives ample proof of this. Man's happiness really lies in contentment."<sup>4</sup>

<sup>1</sup> Harijan, March 23, 1947.

<sup>2</sup> Socialism of My Conception: M. K. Gandhi. Edited by A. T. Hingorani (Bharatiya Vidya Bhawan, Bombay, 1957), p. 34.

<sup>3</sup> Young India, March 17, 1927.

<sup>4</sup> Harijan, February 1, 1942.

Finding the inability of the doctrinaire method in solving unemployment, Gandhi emphasized the role of cottage industries in achieving his objective. He advocated the use of the spinning wheel not because he had any psychological prejudice against large-scale mechanization, but because of practical considerations. "I have suggested hand-spinning," Gandhi said, "as the only ready means of driving away penury and making famine of work and wealth impossible. The spinning wheel itself is a piece of valuable machinery, and in my own humble way I have tried to secure improvements in it in keeping with the special conditions of India. The only question, therefore, that a lover of India and humanity has to address himself to is how best to devise practical means of alleviating India's wretchedness and misery. No scheme of irrigation or other agricultural improvement that human ingenuity can conceive can deal with the vastly scattered population of India or provide work for masses of mankind who are constantly thrown out of employment."<sup>5</sup> Elucidating the point further and indicating the special characteristics of the Indian economy so as to indicate the suitability of cottage industries in solving her unemployment, Gandhi said, "If the reader would visualize the picture, he must dismiss from his mind the busy fuss of the city life, or the slavery of the plantation. These are but drops in the ocean of Indian humanity. If he would visualize the picture of the Indian skeleton, he must think of the eighty per cent of the population which is working its own fields, and which has practically no occupation for at least four months in the year, and which, therefore, lives on the borderland of starvation. This is the normal condition. The ever recurring famines make a large addition to this enforced idleness. What is the work that these men and women can easily do in their own cottages, so as to supplement their very slender resources? Does anyone still doubt that it is only hand-spinning and nothing else?"<sup>6</sup>

Obviously, for solving unemployment in India, one must at first examine the basic characteristics of the Indian economy. Let us, therefore, see what are the facts of the Indian situation

<sup>5</sup> Young India, November 3, 1921.

<sup>6</sup> Ibid.

which must be taken into account in formulating the scheme of providing full employment in the country.

Firstly, there is colossal poverty. "In India," Gandhi said, "we have got three millions of people having to be satisfied with one meal a day, and that meal consisting of a *chapatti* containing no fat in it, and a pinch of salt".<sup>7</sup> Until these teeming millions are clothed and fed better, no other task is of higher priority.

Secondly, the pattern of agriculture clearly demonstrates that the eighty per cent of the population is working its own fields and has practically no occupation for at least four months in a year. During the months of June-July-August, for a period of about two and a half months, these farmers are very busy. They cannot take up any extra work at that time. The same is true for about three and a half months during November-February. Thus, for about six months in a year, the farmers have more than full employment. During the remaining six months, they are relatively free. Nevertheless, some or the other work on the land is always there, which has to be attended to. In this way, for a period of four to six months in a year, the agriculturists are under-employed.

Thirdly, agriculture is a jealous mistress: she requires permanent attention. Even during the slack period, when much work is not required on land, the agriculturists cannot leave the village in search of better employment opportunities. They are required to be in the village attending to small caresses that may be essential and which can neither be postponed nor delegated to casual workers.

Fourthly, the fabric of village life is so woven that the rhythm of hard work is balanced by social festivities, religious ceremonies, and other rejoicings which are concentrated during the slack period.

Lastly, Indians in general and her rural-folk in particular are very much interested in the religious side of life. They are more concerned about attaining spiritual values and deeper contemplations of life than in earning more money and multiplying their wants.

Considering the above features of the Indian life, Gandhi discarded large-scale industrialization as the solution of Indian penury and unemployment. He thought, it could be neither effective nor desirable in the Indian setting. Any industrial enterprise requiring regular attendance from the farmers for the entire year would be unsuitable for them. The rhythm of agricultural employment must be balanced with any additional work that may be offered to the farmer. There is no flexibility in the industrial system of production. It is disadvantageous for the industrial concern to give employment to the agriculturists when they have leisure, and to relieve them when they are required on land. This type of casual labour is not much wanted in industrial enterprises.

There were difficulties in tackling the problem of unemployment, but Gandhi did not think that as insurmountable. He said, "There was employment in India for all who will work with their hands and feet honestly. God has given everyone the capacity to work and earn more than his daily bread, and whoever is ready to use that capacity is sure to find work."<sup>8</sup> In his effort to provide gainful employment to everybody, Gandhi, at first, cautioned the workers that "No labour is too mean for one who wants to earn an honest penny. The only thing is the readiness to use the hands and feet that God has given us."<sup>9</sup> Having established the value of the dignity of labour, Gandhi wanted to indicate that large-scale mechanization was not the solution of unemployment in any community; it cannot provide job to every individual. The Indian problem could be effectively solved only by encouraging small and cottage industries.

Gandhi was sceptical whether "a vast country like India with her millions of people having four months of enforced idleness on their hand could afford to have large-scale industries and yet live a life of tolerable comfort."<sup>10</sup> Mechanization may be good where hands are few and demand for the output very high; but not for an under-developed country where millions have no work to do.<sup>11</sup> On another occasion, he said, "Mechanization is

<sup>8</sup> Harijan, December 19, 1936.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid., February 8, 1935.

<sup>11</sup> Ibid., November 11, 1934.



good when the hands are too few for the work intended to be accomplished. It is an evil when there are more hands than required for the work, as is the case in India."<sup>12</sup>

There are other aspects of the problem too. There is neither humanitarian, nor any other ethical basis of the behaviour of a big industrialist. His efficiency in producing the goods cheaply enables him to score over his smaller rivals in capturing a sizeable market for his produce.<sup>13</sup> Moreover, he could shift the incidence of his advertisement cost to the consumer, which might not be justified.<sup>14</sup> Once his product has been established in the market, a big industrialist seldom cares for the interest of the consumers. "Industrialization on a mass scale will necessarily lead to passive or active exploitation of the villagers, as the problems of competition and marketing come in."<sup>15</sup> Large-scale industrialization is an effective weapon for the exploitation of workers. Gandhi said, "What is industrialism but a control of the majority by a small minority?"<sup>16</sup> Such an organization destroys the finer aspects of human life. And any enterprise which is soul destroying, Gandhi thought, should be abandoned.

It would be erroneous to suggest that Gandhi was against all forms of mechanization. To a question "Are you against all machinery?", Gandhi replied, "My answer is emphatically 'No'. But, I am against its indiscriminate multiplication. I refuse to be dazzled by the seeming triumph of machinery. I am uncompromisingly against all destructive machinery. But simple tools and instruments and such instruments and such machinery as saves individual labour and lightens the burden of the millions of cottagers, I should welcome."<sup>17</sup> While suggesting the efficacy of the spinning-wheel in solving the rural unemployment of the country, Gandhi said, "I would favour the use of the most elaborate machinery, if thereby India's pauperism and resulting idleness be avoided. I have suggested hand-spinning as the only ready means of driving away penury and making famine of work and wealth

<sup>12</sup> Ibid., November 16, 1934.

<sup>13</sup> Ibid., September 28, 1934.

<sup>14</sup> Ibid., August 10, 1934.

<sup>15</sup> Ibid., August 29, 1936.

<sup>16</sup> Young India, August 6, 1925.

<sup>17</sup> Ibid., June 17, 1926.

impossible.”<sup>18</sup> On another occasion, Gandhi said, “What I object to, is the *craze* for machinery, not machinery as such. The craze is for what they call labour-saving machinery. Men go on ‘saving labour’ till thousands are without work and thrown on the open streets to die of starvation. I want to save time and labour, not for a fraction of mankind, but for all. I want the concentration of wealth, not in the hands of a few, but in the hands of all. Today, machinery merely helps a few to ride on the backs of millions. The impetus behind it all is not the philanthropy to save labour, but greed. It is against this constitution of things that I am fighting with all my might.”<sup>19</sup> Gandhi favoured machines which did not atrophy the human limb. For example, “take the case of the Singer Sewing Machine. It is one of the few useful things ever invented, and there is a romance about the device itself. Singer saw his wife labouring over the tedious process of sewing and seaming with her own hands, and simply out of love for her he devised the sewing machine, in order to save her from unnecessary labour. He, however, saved not only her labour but also the labour of everyone who could purchase a sewing machine.”<sup>20</sup> Gandhi attached importance to human consideration in his approach to machines. He could not tolerate the idea of keeping human hands idle. It was only after the satisfactory solution of the human problems that there could be any justification for the introduction of large-scale production. Gandhi had already thought of the situation where large-scale factories would be required for the manufacture of machines. He thought that the sewing machine, for example, would need power driven mechanical equipments. He expected those factories ‘to be working under the most attractive conditions, not for profits, but for the benefit of humanity, love taking the place of greed as the motive.’<sup>21</sup> He stated further, “It is an alteration in the conditions of labour that I want. This mad rush for wealth must cease, and the labour must be assured, not only a living wage, but a daily task that is not a mere drudgery. The machine will, under these conditions, be as much a help to the man working it as to

<sup>18</sup> Ibid., November 3, 1921.

<sup>19</sup> Ibid., November 13, 1924.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

the state, or the man who owns it."<sup>22</sup> Thus if proper ethical values are inculcated, the large as well as the small-scale enterprises will find their rightful place in the Gandhian order of economy.

### Cottage Industry

The rhythm of rural employment yields the best condition for the success of cottage industries. If properly reorganized, they could effectively tackle the problems of under-employment and unemployment in agricultural communities. Mechanical appliances, Gandhi thought, could raise productivity of those who worked on machines, but there was no provision in them for helping those who were rendered unemployed as a result of mechanization. This is so, specially if the undertaking is large. "The big can never, they should not hope to, overtake the unemployed millions."<sup>23</sup>

There are several items of production which can be economically and cheaply produced in the spare time of the villagers. Examples of such articles are basket making, broom making, rope making, rope weaving, spinning, tannery, rice pounding, sugar crushing, paper manufacture etc. These items of manufacture provide profitable occupation for the idle hours of the villagers and experiments have shown that the wages in such concerns are not necessarily lower than the prevailing wages in large-scale enterprises.<sup>24</sup>

A special advantage of cottage industries is cultural. Gandhi argued that the domestic system of production could help the dumb millions. He stated, "It also provides an outlet for the creative faculties and resourcefulness of the people. It may harness all the energies that at present run to waste."<sup>25</sup>

### Charkha : The Spinning-Wheel

The spinning-wheel is Gandhi's symbol for village and small industries. It does not only provide yarn for weaving Khadi

<sup>22</sup> Ibid.

<sup>23</sup> Harijan, September 14, 1935.

<sup>24</sup> This is based on results obtained in a spinning competition, which Gandhi had studied in detail and had compared the prices of yarns spun by the competitors and the wages prevalent at that time in Kathiawad.

<sup>25</sup> The Economics of Village Industries: M. K. Gandhi. Op. Cit. p. 5.

cloth, it encourages and sustains many other village industries. According to Gandhi "Khadi is the sun of the village system."<sup>26</sup> He argued, if people began asking for Khadi cloth, there would be greater demand for it. The scope for increasing the level of consumption of Khadi was also immense. Increased demand for cloth would increase the demand for *Charkha*. Village carpenters and blacksmiths would be working more for producing larger numbers of the spinning-wheel. Other village artisans would be engaged in dyeing and printing the cloth. Thus, a large number of subsidiary occupations would grow. When all such industries flourish in the village, they would in their turn, make it possible for Khadi to thrive well. Thus the primary and the secondary industries of the village would grow in balance; they would be mutually interdependent, the progress in one will be reflected in the growth of the other. That was why Gandhi thought of *khadi* as the sun, and village industries as the planets which supported "*Khadi* in return for the heat and sustenance they derive from it. Without it, the other industries cannot grow...without the revival of the other industries, *Khadi* could not make further progress. For villages to be able to occupy their spare time profitably, the village life must be touched at all points."<sup>27</sup> In order to increase the level of earnings in the village, it is necessary to give fillip to all industries which may help them in earning more money by profitably employing their spare time. In doing so, the first priority should be given to the revival of that industry which has the greatest secondary effect. Considered from this standpoint, *Khadi* deserved high priority. Moreover, Gandhi indicated that "To the man or woman who has no other work possible for him or her to do, the spinning-wheel says: 'Spin me, and you can find a crust of bread for yourself.' That is its economical message."<sup>28</sup> This quality of providing employment to *all* was greatly emphasized by Gandhi. As a matter of fact, it was on this score that he preferred the village industries to large-scale industrialization. "In hand-spinning is hidden the protection of women's virtue, the insurance against famine, and the cheapening of prices".<sup>29</sup> Furthermore, "the spinning-wheel spells a more

<sup>26</sup> Harijan, November 16, 1934.

<sup>27</sup> Ibid.

<sup>28</sup> Young India, December 8, 1927.

<sup>29</sup> Socialism of My Conception: M. K. Gandhi. Op. Cit. p. 85.

equitable distribution of the riches of the earth."<sup>30</sup> *Khadi* does distribution of income and wealth in a better and more equitable way than by any other device. Gandhi said, "No amount of human ingenuity can manage to distribute water over the whole land, as a shower of rain can. No irrigation department, no rules of precedence, no inspection and no water-cess. Everything is done with ease and gentleness that by their perfection evade notice. The spinning-wheel too, has the power of distributing work and wealth in millions of houses in the simplest way imaginable."<sup>31</sup> In fact, Gandhi believed that *Khadi* had the unique quality of curing every trouble of the village life. He thought that 'the sun of the village solar system' could cure unemployment, poverty and idleness without creating any privileged class.

Gandhian eulogy for the spinning-wheel which symbolized to him the village industry as a whole was not unconditional. Gandhi thought that the spinning-wheel was useful to those who did not have any alternative job to perform and who were suffering from enforced idleness. He said, "The idea at the back of *Khadi* is that it is an industry supplementary to agriculture and coextensive with it. The spinning-wheel cannot be said to have been established in its own proper place in our life, until we can banish idleness from our villages and make every village home a busy hive."<sup>32</sup> While clearing certain misconceptions of Dr. Rabindranath Tagore, Gandhi indicated, "He thinks, for instance, that I want everybody to spin the whole of his or her time to the exclusion of all other activity, that is to say, I want the poet to forsake his muse, the farmer his plough, the lawyer his brief, and the doctor his lancet. So far is this from truth that I have asked no one to abandon his calling, but, on the contrary, to adorn it by giving every day only thirty minutes to spinning as a sacrifice for the whole nation. I have indeed asked the famishing man or woman, who is idle for want of any work whatsoever, to spin for a living, and the half-starved farmer to

<sup>30</sup> Young India, October 20, 1921.

<sup>31</sup> Ibid., July 6, 1921.

<sup>32</sup> Harijan, August 31, 1934.

spin during his leisure hours to supplement his slender resources."<sup>33</sup> What Gandhi was eager to emphasize was that 'No labour is too mean for one who wants to earn an honest penny.'<sup>34</sup> Each individual should earn his bread with the sweat of his brow.

<sup>33</sup> Young India, November 5, 1925.

<sup>34</sup> Harijan, December 19, 1936.

## Chapter VIII

### COST AND OUTPUT

The cost of production, in the Gandhian sense, is the expenditure incurred in providing any commodity to the consumer. The cost of raw materials and intermediates which are required to produce the commodity influences the cost of the final product. Labour cost is another important factor in the cost of production. In order to attain efficiency, it is necessary to economize over the factor costs. When production is on a large scale, there are many items on which expenditure could be curtailed. The cost incurred on advertising the product of such a concern is useless and unjust. On the other hand, in the case of small-scale industries, Gandhi thought, there was a case for including advertising cost as legitimate. Such an expenditure in the case of small-scale and cottage industries, is 'useful and necessary'. Under the domestic system of production, the cost of transporting goods to the consumers would be negligible. The function of the middlemen will be practically eliminated under the Gandhian system of production. There will be no ghost of perfect competition or of profit-maximization haunting the producer either. Because of these differences between the large and the cottage industries, the average cost of production in cottage industries would determine the market price for any commodity.

It is cheaper to produce an article in village and small industries. No separate establishment charge is required for them. Work is carried out at the farmers' house and no special arrangement has to be made for policing the property. Very few tools are required for the job. Storage is no problem. The craftsmen buy their raw materials in small quantities and sell the output to the collecting centres soon after it is produced. These centres know the consumer to whom the commodity is to be sent when it is ready. When the various items of expenditure thus incurred are added up, the cost per article will not exceed that of the mill-made products. Besides, the social gain in the case of cottage industries is much more than in any other system of production.

The bulk of expenditure under the domestic system of pro-

duction is on the purchase of raw materials and the payment of wages. Prices paid for raw materials can also be converted into payments for seeds, wages, and other payments which are required for their production. In the final analysis, therefore every item can be converted into labour cost; that which cannot be so reduced as such, would be of very little significance. How much of labour cost is inherent in a commodity, in the final analysis, determines its price.

There would be economy in labour cost, if the village industries are integrated with other economic activities in the area. Agriculture is the primary occupation of the farmers, but if they engage themselves in any other economic activities in their spare time, which otherwise would be wasted in idleness, and if they earned an additional income, it would be good for them as well as for the country. When a farmer earns during his spare time it implies not only an extra income, but also a saving of the amount which he would have otherwise spent on himself and his family members. As a result of the integrated system of production, the cost of production would be cheaper, and the labour would gain an extra income.

Under the Gandhian system of production, the level of production is determined not by the capacity of the consumer to pay for the commodity; rather it is the requirement of the community which sets the limit to the production of the commodity. Under such a system, there may be no anxiety to expand the volume of production so as to fully utilize the industrial capacity. An advantage of this system of production would be its avoidance of over-production. Having assessed the requirements of the community, the various units producing the article come to an understanding as to the proportion of the total demand each firm would produce. This apportionment is made on the basis of spare time available to different farmers who would be undertaking the job. Under such a system of production, there would be coordination between the consumer and the producer as well as between the producers themselves. There will be no wastes of competition in this system of production.



## **Chapter IX**

### **LABOUR WELFARE**

Rise in the level of national income which is important for the moral as well as the material prosperity of a nation, should not be estimated merely in terms of statistical averages. Gandhi stressed the need for providing better conditions of living to the community. He did not deny the opportunity to work harder if an individual wanted to earn more and live a better life; what he emphasized was the necessity to assure a secured job to every individual. Unless the basic requirements were assured, the worker could not develop his creative faculties. In the absence of economic stability in a country, if there are wide economic fluctuations leading to unemployment and poverty, the condition of the masses becomes appalling. Nervousness and insecurity engendered during the periods of economic recession even disrupt the harmonious life of the community; they even impair industrial productivity. The psychological fear also lowers the morale of the workers.

Secured employment and stable wage-rate are two fundamental necessities for the welfare of workers in any society. It is immoral for an entrepreneur to dismiss a worker because his firm was making a loss. In the interest of the society, it is desirable that the business managers, irrespective of their own profit, assured the workers of secured job and stable wages. Retrenchment could be resorted to only as an extreme measure, and when alternative employment for the displaced persons has already been found out. Whenever these conditions are violated, the workers have a genuine grievance which must be redressed. If it is not done so, there may be justification for strikes, arbitration and labour tribunals. For securing equitable settlement, drastic steps should not be resorted to unless conciliation between the workers and the employers has failed.

#### **Charter for the Labour**

Gandhi has drawn a charter for the labour which he considered very important for safeguarding the workers' rights. A brief

enumeration is made below of the rights of the labour on the basis of Gandhi's expressed views, most of which were embodied in the awards enunciated by him in the various labour disputes submitted to him for arbitration.<sup>1</sup>

(1) Labour is entitled to an equal voice in the determination of its conditions of employment. In the case of disagreement the decision of an impartial tribunal should prevail.

(2) Labour has the right to share in the administration and control of the industry. The claim of labour in this respect is superior to that of the shareholders. Labour should be provided with the fullest information about the position and transactions of the industry. The employers should have the consent of the workers for any amount that might be withdrawn from the industry for their own use.

(3) The remuneration of all engaged in the industry should be as nearly equal as possible. The Basic Wage for the workers is the first charge on the gross surplus of the industry. The depressed condition of an industry does not, at any time, create any justification for a cut in wages which fall short of the Basic Wage standard unless their continued payment meant a progressive encroachment on the capital originally invested. This should be decided with reference to the average condition of the industry and not the position of one or more units.

In the ordinary course, an industry which cannot afford the Basic Wage to the workers forfeits the right to exist as it is. The exceptional treatment indicated here applied to a transitional period when the productivity of the industry generally in the country is too low to furnish a full Basic Wage to the workers after every measure for promoting efficiency and economies has been adopted. But there is also an irreducible minimum—an amount just 'adequate for maintenance'—which cannot be cut in any circumstances.

(4) The Basic Wage Rate of every male adult worker should enable him to meet full requirements of health and efficiency of the entire family dependent upon him and to make a reasonable provision for conventional necessities.

<sup>1</sup> Gandhiji, *Op. Cit.*, pp. 181-183.

(5) The duration and the process of work should not prove tiresome to the workers. They should have sufficient leisure for recreation and for attending to their domestic and social obligations.

(6) The working conditions and the amount and the quality of material with which the worker has to work should not be such as to impose undue strain on the workers or affect adversely their health or other interests.

(7) Adequate provision should be made for the comfort of the workers during the period of employment. It is the duty of the employer to provide decent accommodation for rest, refreshment, water and other sanitary facilities to the workers.

(8) The responsibility of the industry extends to the supply of suitable housing accommodation for all the employees without curtailing their freedom in any way.

(9) The workers have an inalienable right to organize, form unions, and bargain collectively. The employers should not obstruct the formation of a union or its working or victimize any worker for his activities in this connection. No elected representative of the workers should be dismissed without previous reference to the labour union. It is the employers' duty to provide facilities for the collection of the union subscription at the place of employment. Where a union adhering to arbitration is functioning, the employers should not take labour through any other agency.

(10) In the case of refusal of arbitration or failure or undue delay in implementing an award, the workers have an unrestricted right to strike work.

### Labour Strikes

According to Gandhi, the following principles should be taken into account for the effective use of the weapon of strike. "Speaking as one having handled a large number of successful strikes", Gandhi said, "I repeat the following maxims for the guidance of all strike leaders:

(i) There should be no strike without a real grievance.

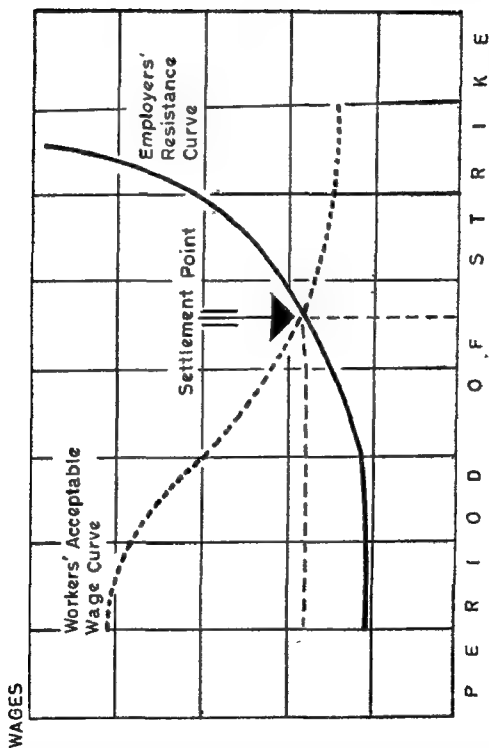
- (ii) There should be no strike, if the persons concerned are not able to support themselves out of their own savings or by engaging themselves in some temporary occupation such as carding, spinning and weaving. Strikers should never depend upon public subscription or other charity.
- (iii) Strikers must fix an unalterable minimum demand and declare it before embarking upon their strike.

A strike may fail in spite of a just grievance and the ability of strikers to hold out indefinitely, if there are workers to replace them. A wise man, therefore, will not strike for increase of wages or other comforts, if he feels that he can be easily replaced. But a philanthropic or a patriotic man will strike in spite of supply being greater than the demand when he feels for and wishes to associate himself with his neighbour's distress. Needless to say, there is no room in a civil strike of the nature described by me for violence in the shape of intimidation, incendiarism or otherwise...The value of the strikers' sympathy was diminished to the extent that they received or accepted financial aid. The merit of a sympathetic strike lies in the inconveniences and the loss suffered by the sympathisers."<sup>2</sup>

Gandhi disapproved the use of labour strikes for political use. Elucidating this point he stated that "to make political use of labour until labourers understand the political condition of the country and are prepared to work for the common good" would be a most dangerous thing. He continued to say, "This is hardly to be expected of them all of a sudden (to understand political conditions and to work for the common good) and until they have bettered their own condition so as to enable them to keep body and soul together in a decent manner. The political contribution, therefore, that labourers can make is to improve their own condition, to become better informed, to insist on their rights, and even to demand proper use by their employers of the manufactures in which they have had such an important hand.....Strikes, therefore, for the present should only take place for the direct betterment of the labourers' lot, and, when they

<sup>2</sup> Young India, September 22, 1921.

# SETTLEMENT OF LABOUR STRIKE



have acquired the spirit of patriotism, for the regulation of prices of their manufactures."<sup>3</sup>

The success of labour strikes depends upon the bargaining capacity of the workers and the employers' resistance to workers' demand. An important factor which affects the bargaining capacity of the worker is the rigidity of the Minimum Wage Rate. This rate is not the subsistence wage rate, rather, it is a conventional minimum in the absence of which an average worker would psychologically feel very miserable. The rigidity of this wage rate depends on several factors such as the workers' capacity to earn subsidiary income during the period of strike, the number of the union workers in the trade, support from other crafts and unions, the possibility of substituting the workers on strike by those who are willing to work for the employer, possibility of substituting the commodity produced by the workers on strike by those who were not, and the essential requirements of the strikers for maintaining their standard of living. The Minimum Wage Rate incorporates full requirements of health and efficiency of the entire family members taking into account their conventional necessities and other exigencies of life. Women and children are not to be pressed for employment in factories even if adequate number of male workers are not forthcoming. There should be no difference in wages between males and females simply on the ground of sex differential. Standard wages should be fixed on the basis of eight hours a day work.

The Minimum Wage Rate would be a downward sloping curve, sloping towards the right if the number of days are marked on the X-axis and the wages on the Y-axis. This would be the nature of the curve if the strikers depend on outside assistance and charities for maintaining themselves. Public sympathy and outside financial assistance cannot be maintained indefinitely at the same level. Moreover, there is the possibility of substituting the workers who were not striking in place of those who were on strike. Again, there could be change-over to the goods produced by those firms which are free from labour troubles. These factors would tilt the balance against the strikers. With the march of time, the outside assistance would begin to decline which

<sup>3</sup> Young India, February 16, 1921

considered with other factors would induce the strikers to adjust themselves to lower wage demand.

How long the strike would last and at what level the strike would be settled would also depend on the resistance of the employers. This depends on how essential is the article produced by the concern and how much of the finished material is available with the producer and the traders. If the stock of the article is adequate to meet the consumers' requirements for a long time, the employers would be in a stronger position. Generally speaking, a big firm can resist the workers' demand for a long period. As time passes, the employers' resistance weakens, because they would not like to go out of business. No businessman would like to lose control over the market because there was strike in his firm. Because of this consideration, he would ultimately yield to the workers, specially if the demand is just. The employer would be willing to pay higher wage rate as the time passes. The Employers' Resistance Curve, therefore, would be a rising one. The dispute between the workers and the employer is expected to be settled at the point where the Employers' Resistance Curve and the Minimum Wage Rate intersect one another. In the case of outside assistance the strike may end sooner but the workers may not be able to secure as advantageous terms as it is possible if they depended on their own resources.

According to the Gandhian principles it is possible to maintain collective bargaining, full employment and stable prices simultaneously. This is so because full employment would determine the level of output and the cost of production would be determined by the Basic Wage Rate sanctioned to the workers. The collective bargaining is not permitted to raise the wage rate indiscreetly, rather, it is intended to maintain the living wage rate depending upon the prevailing economic and sociological conditions. Thus, in every society, under the given technological conditions, there is a unique output-price relationship. Sanction of collective bargaining need not disrupt full employment or stable prices; it is sanctioned only to maintain the parity between the actual wage payment and the Basic Wage Rate. This parity is one of the pre-conditions of the Gandhian system of stable

and balanced community. Strikes which are sanctioned for securing social justice and to get rid of exploitation are not expected to put forth unjustified demands. The freedom of collective bargaining is democratic and beneficial for establishing a harmonious relationship between the employers and the employees, which ultimately leads to increased national income.



## **Chapter X**

### **BASIC TENETS**

1. Economic Science is concerned with the moral as well as the material progress of a country. Economics is concerned with directing the expansion of material prosperity with a view to attain Real Progress by which is meant moral progress. "The economics stands for social justice and moral values".
2. Ethical considerations are important while formulating the ways and means for the economic development of a country. There is no sharp distinction between economics and ethics.
3. The Laws of Economics should be in accordance with the Higher Laws of Life. Whenever the balance between the Higher Laws and the Lower Laws is disturbed, there is chaos.
4. Economic Laws which should attempt to produce not only affluence but also harmony in the country must be related to the Laws of Nature.
5. Economic Laws are derived from the Laws of Nature which are universal; but Economic Laws are not so, they vary with the changing conditions of the community.
6. The Economic Laws of a Nation are determined by its climatic, geological and the temperamental condition of its people.
7. The Market Laws cannot fail to observe the impact of National and Natural Laws on the behaviour of the individual in his pursuit of material prosperity.
8. Every society must aim at making the best use of its men and material and there is no justification for wasting resources of the country. But the introduction of labour-saving devices with wolves at the door would be a flagrant injustice to its dumb population.

9. Concentration of wealth and income for selfish purposes is unethical.
10. There is nothing inherently wrong about the introduction of machines in order to increase national income of a country. Machine is well used if it aids man's labour and simplifies it. Mechanization is good when the hands are too few for the work intended to be accomplished, it is an evil when there are more hands than required for the work.
11. Full employment of manpower and equitable distribution of national wealth are necessary conditions which must be attained before the introduction of the mechanical means of production.
12. Large-scale industrialization and centralization of the means of production are no solutions for achieving full employment.
13. There is rhythm of unemployment in rural areas depending upon the pattern of agricultural activities. In order to solve unemployment in rural areas, this has to be taken into account. The best solution of rural unemployment is the extension of village and small-scale industries.
14. The spinning-wheel is the symbol of village and small-scale industries. "Khadi is the sun of the village system". When Khadi is encouraged, other troubles of the rural areas disappear.
15. Profit is residuary. For calculating the profitability of any concern, the cost of raw materials and payments to the workers are lumped together and taken out of the total receipt. Whatever remains is considered as profit.
16. Profit in terms of money is not essential for the survival of any enterprise.
17. There are two types of capital: "Money Capital" and "Labour Capital".
18. Capital is the source of all wealth from which even the remuneration of the workers is paid.

19. There is nothing inherent in capital to compel it to exploit people; the fault is with the system.
20. There are two ways of eliminating the undesirable consequences of the concentration of capital: firstly, there should be decentralization of ownership as far as possible, and secondly, in case the concentration is inescapable, there should be State Control over it.
21. Exploitation is depriving the worker of his legitimate share in the gains of the undertaking.
22. Whenever the gulf between the producer and the consumer is bridged, the magnitude of exploitation is considerably reduced.
23. The ideal economic condition for a country is not to remain an exporter of raw materials for foreign countries, but to be self-contained.
24. Each Basic Unit has its Natural Consumption Pattern depending on its geological, social and economic conditions.
25. Production Plan of every Basic Unit should be linked with its Natural Consumption Pattern.
26. The size of an undertaking is related to the size of the conglomeration of human settlement where it is located and to the size of the market for which it caters. Larger units are suitable for urban areas whereas cottage industries are suitable for rural areas.
27. The cost of raw materials and payments made to the workers are important constituents of the cost of production of any commodity. Distribution and other costs are very insignificant in the Gandhian system of production.
28. It is cheaper to produce any commodity under the Gandhian system.
29. The level of production is determined by the requirements of the community.
30. The community should import anything from outside only when it has produced more than what it has con-

sumed. The principle of bilateral trade should guide inter-regional trade.

31. Secured employment and stable wage-rate are two fundamental necessities for the welfare of workers. Whenever these conditions are violated, the workers have a genuine grievance.
32. The organization of trade unions for increasing the competitive strength of the workers *vis-a-vis* the employers is necessary in order to secure equitable share in the national cake for the workers.
33. The moral strength of the worker who is on strike depends on the justification of his demand. For the success of strike, it is necessary for the workers to have, besides other conditions, a subsidiary source of income and employment on which to fall back during the period of strike. This will strengthen the bargaining power of the workers.
34. The Labour Strike is settled when a balance between the workers' acceptable wage-rate and the employers' resistance to it is achieved.
35. The main source of incentive in the Gandhian social order is not profit-maximization, rather many other non-pecuniary considerations influence the business decision in such a community. The workers are guided and encouraged by many social considerations rather than by purely monetary incentives.
36. The change in the nature and magnitude of the requirements of the community is the main source of economic change. Technological improvements and the introduction of new means of production are subordinate to the social requirements. Their application depends on the level of demand in a community and the number of hands available there. The direction of the change is guided by spiritual considerations. Attempts should be made to satisfy increased demand only if it is ethically justified.

## Part C

# GROWTH OF GANDHISM

*"And who is truly wanted, the railroad engineer or the philosopher? It is a mere question of time."*

—RALPH W. EMERSON

## Chapter XI

### TRUE AND FALSE SCENTS: A REVALUATION

This chapter discusses the views of some eminent Gandhian writers with a view to synthesizing the different facets of Gandhism with its metaphysical postulates. There has been a certain mix up even regarding the kinship between Gandhism and Marxism. Both these systems had been preoccupied with the task of understanding human nature in order to eliminate the causes of poverty and social degradation. But, in fact, they are fundamentally different. It is hoped that this chapter would clarify the position to some extent. There have been two main impediments in the exposition of the Gandhian interpretation of economic life. Firstly, it was Gandhi's own reluctance either to entangle himself in arguments or to clarify his position, and secondly, it was his abstruse metaphysical basis of the social organization. Some of the devoted Gandhians have felt so very satisfied either with merely describing the structural framework of the society envisaged by Gandhi, or with only discussing the finessè of his philosophy that a satisfactory Gandhian dialectics has not so far evolved.

#### Truth, Non-violence and Simple Community

Among the Gandhian writers, the position of J. C. Kumarappa is unique. He had been a veteran worker in the Gandhian "Constructive Programmes", where he did not only work for the village reconstruction along with Gandhi, but also had the rare opportunity of studying the Gandhian philosophy and bringing about the social change based on that philosophy. Kumarappa has analysed the Gandhian way of life and its economic implications to a great extent and in detail.<sup>1</sup> His direct and matter-of-fact style has been much appreciated and his books are considered an authentic representation of the Gandhian school of

Kumarappa has written many books on the subject, but some of the important ones are (a) Gandhian Economy and other Essays, (b) Economy of Permanence, (c) Currency Inflation, (d) Blood Money, (e) Europe Through Gandhian Eyes, (f) Banishing War, (g) An Over-all Plan for Rural Development. Published by A.I.V.I.A., Maganvadi, Wardha, C.P.

thought. According to Kumarappa, the 'Gandhian Jerusalem' can be attained only if the principles of Truth and Non-violence are followed. These principles are violated in the Indian society, which has been disorganized by foreign domination, conflicting ideologies, religious troubles, and lack of comradeship. Economic reconstruction is not the panacea for all these evils; some of them are very complex and any piecemeal solution would not be far-reaching. Absence of institutional rigidities is necessary for any progressive community. Simplicity in institutional relationship is possible only if the pattern of living itself is simple. The simple community, according to Gandhi, is the reflection of Truth, and its institutional set-up is non-violent. Production in such a community would be direct and exploitation of one factor of production by another non-existent. Evidently, the scale of production in such a society would be small, functions of money simplified, inequality of income greatly reduced, and the 'conspicuous' consumption considerably curtailed.

According to Kumarappa, the pattern and the level of consumption in any society determine its economic framework. The functional set-up of a community depends upon the commodities produced within it either for domestic consumption or for export. If the external market is available to the community for the sale of its produce, there is a tendency to push its sale there. The search for external market, and the attempt to boost the sale there, ultimately stifle the economic growth of the consuming community. This is especially so when the essential goods constitute the bulk of trade. If any society depends for its necessities on an external source of supply, the degree of its exploitation is in direct proportion to the amount of goods imported. This is, however, not so if the trade is reciprocal, comprising only the surplus commodities available in both the communities. Some communities may have some residues after satisfying their domestic requirements. This sort of surplus is known as the 'natural surplus'; any trade in such natural surpluses may be useful for both the parties. If the consumption of imported articles could be postponed, the chances of exploitation due to the import of foreign goods would be considerably reduced. If the consumption of foreign goods cannot

be postponed, the exploitation would continue. Consumption of goods manufactured in foreign countries, according to Kumarappa, is definitely a bait for the foreigners to occupy the country.<sup>2</sup> A society which does not depend for its basic requirements on external sources of supply would not be subjected to aggressive exploitation.

The scale of production in any community is limited by the size of the market available for the output, and its quantity of production is determined by the profit expectation of the producer. Therefore, those industrialists who are producing for profit would like to increase the scale of production, as well as the size of the market. The introduction of machines increases the efficiency of production. Thus, the mechanization of production leads to the increase in the size of the output. The industrialists, therefore, are perennially in search for a bigger market. Unless the system of production is highly mechanized and the scale of output greatly expanded, the possibility of exploitation is considerably limited. Therefore, in a simple community, where the scale of production is small and mechanization not very much advanced, the possibility of exploitation is greatly reduced. The small-scale industries are not necessarily uneconomical. The comparative cheapness of the large-scale production, according to Kumarappa, is more apparent than real. Under large-scale production, many items of expenditure which should be borne by the industrialists themselves are, in fact, transferred to the State Exchequer and others. This accentuates inequalities of income. The rich who are mostly consumers of the products of the large-scale manufacturing concerns gain at the expense of the poor on whom the real burden of the State Exchequer falls. The Gandhian Kumarappa, therefore, considers it "wrong to argue that centra-

<sup>2</sup> Gandhian Economy and other Essays: J. C. Kumarappa, Wardha, 1949. p. 2. "Consumption of foreign goods is definitely a bait for the foreigners to occupy the country. Wherever the carcass will be there will be vultures also. The best way to get rid of the vultures is to bury the carcass and this carcass is our foreign trade in necessities. Such foreign trade which we might have is always to be in surplus. When foreign trade is restricted to the surplus it need not lead ultimately to the violence because both the parties to the transaction are exchanging goods which they do not need for themselves and this exchange leads to mutual profit, and there is a complete satisfaction on both the sides, there is no occasion for violence".



lized industries are more likely to utilize our resources to the best advantage".<sup>3</sup>

The distribution cost in a simple community is reduced to the minimum due to the proximity of the centres of production and the consuming population. The magnitude of the distribution cost is directly linked with the degree of exploitation of the poor. "Distribution and production, if they do not go together or take place simultaneously, often lead to accumulation of wealth on one side, poverty and misery on the other".<sup>4</sup> If the available goods and services are not allowed to circulate freely then, according to Kumarappa, this would cause periodic economic fluctuations in a country. Kumarappa has argued that if a mill-owner produced goods worth Rs. 10,000/-, he would pay about Rs. 3,000/- in the form of wages and cost of raw materials. In other words, he puts into circulation Rs. 3,000/- while stocks of goods in the market increase by Rs. 10,000/- worth. Naturally, there is not sufficient purchasing power to enable the public to buy the total output. Under such circumstances, there is a residue of production from every mill, which does not go to the consumers. When such accumulation takes place, there occurs a period of depression, and to liquidate this depression war becomes necessary.<sup>5</sup> In a non-violent community, it is necessary to avoid war; it should even avoid the possibility of the germination of economic, political, and other causes which breed contempt, hatred, and appropriation of wealth in a community. The round-about methods of production, therefore, should be avoided to the greatest possible extent in a non-violent community.

The role of money in a simple non-violent community would be negligible. Though money by itself is not a source of evil in any community, yet many complications arise due to its introduction. Many of the drawbacks of the capitalistic system of production are due to the misuse of 'money-economy'. For example, savings in a capitalistic society which lead to round-about methods of production, centralization of the means of production, and class conflicts, which ultimately disturb the peace

<sup>3</sup> Ibid. p. 7.

<sup>4</sup> Ibid. p. 4.

<sup>5</sup> Ibid. p. 6.

and harmony of the society are, as a matter of fact, results of the monetary system. At present, savings are considered inevitable for increasing the tempo of economic development. Production of goods by the centralized system of production requires much capital, large markets, and large supply of raw materials. Scramble for capital and raw materials leads to mutual animosity, which in the long run results in national and international warfare. In case, commodity-exchange, in contrast with the money-economy, is revived, much of the difficulties of the capitalistic system of production would be eliminated, and Kumarappa thinks that the wellbeing of the people would be greatly increased under such a system of barter economy.<sup>6</sup>

### Economic Propriety and Social Justice

Professor M. L. Dantwala in his *Gandhism Reconsidered*<sup>7</sup> has examined the Gandhian ideology 'stripped of its emotional content'. Most of the writers on the Gandhian way of life are either full of adoration and devotion for Gandhi, or have angry condemnation for the metaphysical basis of life on which he built his economic edifice. Professor Dantwala does not fall in either of those categories. He is one of the leading agricultural economists of India and has spent many years in jail on account of the Civil Disobedience Movements launched by Gandhi. He is not only aware of the various inconsistencies of the Gandhian ideas as expressed at different places on different occasions, but he is also acquainted with the sufferings and deprivations implied in the Gandhian technique of bringing about the social change. However, he has attempted to build, on the basis of Gandhian

<sup>6</sup> Ibid. p. 24.

"Money is a road of many evils, though if wisely used in strictly restricted manner, it is a great convenience. At present it has led to feverish activity in the production of goods by centralized method of production requiring much capital, large markets and wide source of raw materials. All this has made war a necessity... It has made possible wide disparity in the distribution of wealth giving rise to self-indulgence on some side and large want and misery on the other. Hence if we are learning from the experience of the past, we ought to contract our money economy and enlarge facilities for commodity exchanges."

*Gandhism Reconsidered*: Prof. M. L. Dantwala. Padma Publications Ltd. Bombay (1944).

teachings, a systematic and well-integrated structure of Gandhian society, on the basis of its main pillars, namely,

- (i) Opposition to capitalism;
- (ii) Opposition to machines;
- (iii) Neglect of resources of exploitation other than machine;
- (iv) Principle of trusteeship; and
- (v) Economic structure of a non-violent society.

Gandhi's opposition to capitalism, according to Professor Dantwala, was not based on any logic like that of the Marxist theory regarding the interpretation of history from which to arrive at the inevitability of Socialism. Gandhi did not adopt any theory of value which could explain accumulation of the surplus value. He opposed capitalism, because there was too much of inequality in it. He championed the cause of the dumb and the semi-starved, and wanted to bring a decent and a higher standard of living to them. Changes in the social order and in the existing economic system were necessary for improving the conditions of the poor. These changes could be possible if the capitalistic principle of buying in the cheapest and selling in the dearest market was not adhered to. Instead of following the capitalist norm of economic propriety and justice, the Gandhian order postulated social justice which protected starving millions scattered throughout the length and breadth of the land. In the Gandhian society, there is economic equality; industries are not run on profit basis. Unlike in the capitalist society, the enterprises in this system are not guided by the consideration of larger consumption and higher profit but solely by the principle of producing decent conditions of living both for the producers and the consumers. Gandhi opposed capitalism because he did not subscribe to the capitalistic code of justice.

There has been a gradual evolution in Gandhi's ideas regarding machinery. In the early days of his political career,<sup>8</sup> he thought of machines as entirely without any merit to their credit. Later on, he was of the opinion that machinery was all evil, but it could be eliminated only *gradually*. Subsequently, he

<sup>8</sup> Cf. Hind Swaraj; M. K. Gandhi 1908.

changed substantially. His opposition then was not to machines as such but to their detrimental social consequences. Industrialization was itself an evil, but the capitalist's expectation of profit arising due to the introduction of machinery has further intensified it. The theory that the introduction of machinery would cheapen production, which would stimulate consumption, increase demand, encourage production and ultimately lead to a greater volume of employment, is not always correct. Statistics do not show a commensurate increase between the introduction of machinery and the growth of employment. Moreover, economic considerations should not always be a decisive factor in determining the introduction of machinery. Whether a person should possess five motor cars, three aeroplanes and half a dozen luxury cruisers is not a strictly economic question. Various considerations—moral and amoral—must be taken into account before the introduction of machinery and distribution of wealth resulting from its introduction are decided upon. Unless a limit is placed on the use of machinery, neither an increase in the standard of living, nor a reduction in the hours of work will be able to ensure full employment to the country. Even socialization, which is frequently suggested as a remedy for the drawbacks of industrialization, is not effective in removing its shortcomings. Socialization of the factors of production which may increase the volume of production and raise the standard of living and reduce the hours of work, is not always the solution to mass unemployment, though under proper management, it may prevent economic exploitation. Socialization does not provide protection against the onslaught of technology.

Though the mechanical means of production and the social organization based on such a system seem to a common man as mysterious as rains and lightning appeared to the primitive people, yet it will be a mistake to believe that all exploitation will cease the moment we do away with the machine or socialize the means of production. Functional rationalization promoted by the introduction of machines makes the economic structure of the society very complex. This breeds superstition and irrationality from which many other evils wholly independent of the machine emerge in our society. Professor Dantwala thinks that the Gandhian economists have not given thought to these factors,

as they have done to the condemnation of technical improvements. An example of such a factor is the devastating drain on agriculturists caused by the changes in agricultural prices. Such aspects of exploitation as are caused by factors other than mechanization, have only recently been brought to the notice of the Gandhian thinkers.<sup>9</sup>

Much of the economic evils of the capitalistic system, according to Gandhi, could be remedied by the introduction of the principle of trusteeship, which could bring about a radical change in the social setting of the present-day society without disrupting the existing institutions. Retention of profit by the entrepreneur, freedom to set up an enterprise, and freedom of contract are the quintessence of the capitalistic structure of economy. As a result of this system, however, we find, on the one hand, poverty-stricken proletariat in perpetual fear of unemployment and economic insecurity, and on the other, the rich wallowing in wealth. The socialists argue that the elimination of private property, socialization of the instruments of production, and proper economic planning could remedy the defects of the capitalist system. The Gandhian solution for the economic insecurity is appeal to the higher sense of the wealthy class. According to Gandhi, a person must consider himself a trustee of all wealth which he collects. What wealth or income he retains with himself does not depend on his own sweet will. The maximum is fixed at twelve times the minimum.<sup>10</sup> Moreover, "the trustee has no right to use or misuse his wealth as he likes. The only portion to whose free use he is entitled is the one which is necessary for his own existence, its maximum being determined not by himself but by the State."<sup>11</sup> These trustees are self-appointed managers of the social wealth, and they, in any case, cannot exploit the property for private benefit. Its direction and management would not depend on whims or interests of the trustees or managers. According to this arrangement, the landlord or the capitalist becomes just an agent of the society. The human relationship based on mutual cooperation and understanding between those who manage and those who are workers would bring about a social revolution. "One may or may not

<sup>9</sup> Prof. M. L. Dantawala: *Op. Cit.* Pp. 32-33.

<sup>10</sup> *Ibid.* p. 37.

<sup>11</sup> *Ibid.* p. 38.

believe in the efficiency or practicability of this method of bringing about a revolutionary change, but one can understand why in the Gandhian scheme of society there is no reliance on the power and authority of the state for ushering in changes or for preserving the New Order."<sup>12</sup>

The beginning of technological improvements during the nineteenth and twentieth centuries has helped the evolution of man as much as it could have done. Industrial expansion has so much complicated the social framework that the individual has become just a cog in the wheel. He is neither capable of forming his own opinion, nor is he capable of exercising his discretion. He does not always know the implications of what he does; many a time, he does not even know the wider opportunities available to him. He gets what is thrust upon him; he works at what he is forced to do. Evidently, in spite of having plenty in the aggregate terms, the individual is not only materially insecure and poor, but he is also spiritually bankrupt. Personal freedom, which is so essential for the development of individuality, is lacking in industrialized and complex societies. Whatever could be sacrificed to achieve personal freedom is too little a price for it. With this end in view, Gandhi approved of small communities where although the intellectual horizon of the individual might be narrow, the possibilities of enjoying exotic life of the wider world limited, yet the individual could have fullness of living. The community life has its own rewards in the shape of security and happiness. An important advantage of this system is that the individual is capable of contributing his fullest quota to the growth and development of the society to which he belongs. Though there are certain advantages of the universal market and price-mechanism prevailing in big capitalistic societies, yet the limited scope of the small group-living has its influence in evolving a new and happier man. "In Gandhiji's scheme, markets once again retire within parish walls and the producers regain their freedom. For the new market will be a producers' market and not that of a speculator or a finance capitalist or a state official. Essential goods, bought and sold, will be produced within a range which cannot be arbitrarily determined, but the guiding principle will be the mental reach of the masses of men. They

<sup>12</sup> Ibid. p. 42.

will not only produce, they will also plan; others may advise but they themselves will decide. They will certainly own the instruments of production, but the instruments will not be the ambitious giants of today, pretending to create plenty but in fact robbing the producer and the consumer of their independence. True, they will produce less, but the purpose of production will be less, but so will be their greed to seek empires. The workers will know to what purpose they are worked, and will need no telling from professional rulers. The choice, perhaps, is between freedom and plenty.”<sup>13</sup> Gandhi stands for freedom rather than for plenty.

### The Gandhian Plan

Shriman Narayan has presented an authentic documentation of the Gandhian approach to economic life.<sup>14</sup> In the introduction to Shriman Narayan’s brochure, *The Gandhian Plan*, Gandhi himself has stated that he had read enough of that brochure to enable him to say that the author had not misinterpreted him at any place. In this brochure, Shriman Narayan laid down the fundamentals of Gandhian Economics and therefrom formulated a Plan for the economic reconstruction of India. He considered the following to be the main tenets of the Gandhian system:

- (i) Simplicity,
- (ii) Non-violence,
- (iii) Sanctity of labour,
- (iv) Lure of leisure, and
- (v) Khadi Economics, or human values.

According to Shriman Narayan, it is absolutely necessary to understand the significance of these ideas in order to appreciate the Gandhian principles.

The Indian ideal of life attaches importance to happiness, and the individual, according to the Orientalists, achieves happiness through simplicity of life. In contrast to this view is the Western way of life in which greater importance to material welfare is

<sup>13</sup> Prof. Dantwala: Op. Cit. p. 47.

<sup>14</sup> *The Gandhian Plan*: S. N. Agarwal: Padma Publications Ltd. Dec. 1944. Prof. Shriman Narayan has written several books on the subject including *Principles of Gandhian Economics*, and *Trends in Indian Planning*.

assigned. Therefore, the goal of a progressive individual or nation should, according to the Western thought, be ever-increasing accumulation of physical comforts and luxuries. This view is very much opposed to the eastern concept. The sages of India after aeons of contemplation discovered that the mystery of happiness is not in the accumulation of wealth, but in disciplined mental attitude. "We notice", says Gandhi, "that the mind is a restless bird; the more it gets, the more it wants and still remains unsatisfied."<sup>15</sup> Again he says that "the more we indulge in our passions, the more unbridled they become. Our ancestors, therefore, set a limit to our indulgences. They saw that happiness was largely a mental condition. A man is not necessarily happy because he is rich, or unhappy because he is poor. The rich are often seen to be unhappy, the poor to be happy. Observing all this our ancestors dissuaded us from luxuries and pleasures".<sup>16</sup> Regarding the invention of machines and their use, Gandhi stated that "it is not that we did not know how to invent machinery but our forefathers knew that if we set our hearts after such things, we would become slaves and lose our moral fibre. They, therefore, after due deliberations, decided that we should only do what we could with our hands and feet. They saw that our real happiness and health consisted in a proper use of our hands and feet."<sup>17</sup> "I do not believe", Gandhi observed at a different place, "that multiplication of wants, and machinery contributed to supply them is taking the world a single step nearer its goal... I wholeheartedly detest this mad desire to destroy distance and time, to increase animal appetites and go to the ends of the earth in their satisfaction".<sup>18</sup> Industrialism leads man to work ceaselessly for material wealth which inevitably undermines human character. National planning with emphasis on industrialization is, therefore, deprecated. As a matter of fact, Gandhi wanted "to prevent our villages from catching the infection of industrialism."<sup>19</sup> According to Gandhi, fewer the wants, the happier the person and fuller his life.

<sup>15</sup> Non-violent Socialism: M. K. Gandhi. Navjivan Publishing House. Ahmedabad, p. 3.

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Young India, March 17, 1927. Quoted in The Gandhian Plan: S. N. Agarwal on page 16.

<sup>19</sup> Harijan: September 29, 1940.



Non-violence, which is the other facet of the simple society according to the Gandhian analysis, has five features, namely,

- (i) Absence of exploitation,
- (ii) Decentralization of production units,
- (iii) Cheaper defence organization,
- (iv) Less inequality of income, and
- (v) Self-sufficiency of communities.

Capitalism thrives on exploitation of the 'surplus value' resulting from human labour, which is sordid violence. 'Machine is the handmaid of capitalism, and it is substituted for human labour and concentrates wealth and power in a few hands.' The accumulation of wealth has its origin in violence, which is necessary even for its preservation. As large-scale mechanical production is at the roots of this violence and exploitation, Gandhi "wants to have no truck with lop-sided mechanization and large-scale production."<sup>20</sup> Development of the country based on non-violent principles would imply that there should be no large concentration and localization of industrial power. This could be possible by developing rural areas without making them the seat of heavy industrialization. This pattern of economic development would reduce defence expenditure too. "Simple homes from which there is nothing to take away require no policing; the place of the rich must have strong guards to protect them against dacoits. So must huge factories. Rurally organized India will run less risk of foreign invasion than urbanized India well-equipped with Military, Naval and Air Forces."<sup>21</sup> As a matter of fact, even exploitation could cease with reduction in the inequality of income, but Gandhi wants no coercion, not even to bring about economic equality; voluntary abdication of power and the doctrine of trusteeship would gradually reduce inequality. There can be no non-violent society "so long as the wide gulf between the rich and the hungry millions persists. The contrast between the palaces of New Delhi and the miserable hovels of the poor labouring class cannot last one day in a free India in which the poor will enjoy the same power as the rich in the land. A violent and bloody revolution is a certainty one day unless there is a

<sup>20</sup> S. N. Agarwal, *Op. Cit.* p. 21.

<sup>21</sup> *Harijan*: December 30, 1934.

voluntary abdication of riches and the power that riches give, and sharing them for the common good... It is true that it is difficult to reach. So is non-violence difficult to attain... the violent way has not succeeded anywhere. The non-violent experiment of ours is still in the making... the method has begun to work... slowly in the direction of equality. And since non-violence is a process of conversion, the conversion, if achieved, must be permanent. A society or a nation constructed non-violently must be able to withstand attack upon its structure from without or within."<sup>22</sup> Under this new system, the relationship between the so-called 'haves' and 'have-nots' would be so close that there would be no bitterness between them. The self-governing and self-sufficient rural units would eliminate the necessity of any central planning as well as the possibility of totalitarian or any other exploitation. Production would be for use and not for profitable distant markets. These village republics may have narrow economic frontiers but their general outlook need not and will not be so. Localization of economy is not incompatible with wider nationalism and still wider internationalism, rather it may be saviour of them and their culture.

Human beings are more precious than machines. According to Gandhi, the individual has to strive hard to work in harmony with nature in order to attain the full stature of his personality. "Intelligent manual labour is essential for the proper development of the mind; hand-culture is indispensable for mind-culture."<sup>23</sup> Work with hands has great importance for the human evolution, and one of the main causes of the present crisis in human affairs is the neglect of work on land. At present, "we are destroying the matchless living machines, i.e. our own bodies, by leaving them to rust and trying to substitute lifeless machinery for them."<sup>24</sup>

Leisure by itself is not bad; but a cry for more leisure is dangerous and unreal. Leisure is good and beneficial upto a certain point. This is required for moral and spiritual development of the individual, but it has no justification if it brings about lethargy

<sup>22</sup> Constructive Programme: M. K. Gandhi, pp. 18-19. Quoted in The Gandhian Plan: S. N. Agarwal, p. 22.

<sup>23</sup> The Gandhian Plan: S. N. Agarwal, op. cit. p. 24.

<sup>24</sup> Young India: January 8, 1925.

and laxity.<sup>25</sup> Apart from this, disapproval of more leisure is also based on economic grounds. Economic exploitation can be considerably reduced, if proper dignity of manual labour and proper attitude to leisure are instituted in our society. Self-sufficiency of the individual would go to a great extent in reducing the impact of economic exploitation. The present economic disorder is due to the unjust exploitation of labour by others, with the result that there is, on the one hand, an 'idle rich' class doing no physical work at all, and on the other, the overworked labourers crying for some relief. But if we have (almost) self-sufficient village communities in which everyone works for his living on a cooperative basis, the middle-men will be gradually eliminated and there will be (almost) no room for exploitation.

### **The Khaddar Economics**

The view that economics is an amoral science as suggested by contemporary economists is rejected by Gandhi. He wanted to establish a link between ethical judgement and economic norms. The law of the market that the consumer would buy in the cheapest one to maximize his satisfaction, he considered as unrealistic. The Khaddar Economics, which embodied the Gandhian approach to economic problems, insists that the social considerations must supersede the individual ones while measuring the satisfaction accruing from any commodity. Relative cheapness or otherwise of any commodity under Gandhian economics should be considered with regard to its effect on human happiness, rather than its cost in monetary units. Gandhian economics is much different from the ordinary one. "The latter takes no note of the human factor. The former concerns itself with the human."<sup>26</sup> The line of demarcation between economics and ethics fades under the influence of Gandhi so much so that ethics becomes more important than economics. "Economics that hurts the moral well-being of an individual or a nation is immoral, and, therefore, sinful. Thus the economics that permits one country to prey upon

<sup>25</sup> Harijan: December 7, 1935.

"Supposing a few millionaires from America came and offered to send us all our food-stuffs and implored us not to work but to permit them to give vent to their philanthropy, I should refuse point-blank to accept their kind offer... specially because it strikes at the root of our being."

<sup>26</sup> Harijan, July 16, 1931.

another is immoral. It is sinful to buy and use articles made by 'sweated labour'. It is sinful to eat American wheat and let my neighbour, the grain-dealer, to starve for want of a customer. Similarly, it is sinful for me... to wear the latest finery of Regent Street when I know that if I had worn the things woven by the neighbouring spinners and weavers, that would have clothed me, and fed and clothed them."<sup>27</sup> Non-monetary considerations, under Gandhian economics, are more important than the monetary advantages in assessing the profitability of an enterprise. "The value of an industry should be gauged less by the dividends it pays to sleeping shareholders than by its effects on the bodies, souls and spirits of the people employed in it. Cloth is dear which saves a few annas to the buyer, while it cheapens the lives of the men, women and children who live in the Bombay Chawls."<sup>28</sup>

The spirit, which is the basis of Gandhian economics, means "fellow-feeling with every human being on earth. It means a complete renunciation of everything that is likely to harm our fellow-creatures."<sup>29</sup>

### Gandhi And Marx

There is some misunderstanding about the kinship between the Gandhian way of life and Marxism. Many writers have affirmed Gandhism as Marxism minus violence.<sup>30</sup> "Extreme concern of both for the suppressed and the oppressed, the resourceless and the ignorant, the dumb and the starving section of humanity" has led to the belief in the similarity of the two.<sup>31</sup> Gandhi himself claimed that "he is a better communist or socialist"<sup>32</sup> than his 'friends' who profess to be such.

Undoubtedly, Gandhi had the passion for ameliorating the sufferings of the starving masses. He wanted to eliminate hunger, pestilence, and miseries of life. He was opposed to the perpetuation of glaring inequalities of income, and differences between various classes of the society. He realized that the contrast

<sup>27</sup> Young India, October 13, 1921.

<sup>28</sup> Young India, April 6, 1922.

<sup>29</sup> Young India, September, 22, 1927.

<sup>30</sup> Gandhi and Marx: K. G. Mashruwala. Navjivan Publishing House, Ahmedabad, 1951, p. 37.

<sup>31</sup> Ibid, p. 41.

<sup>32</sup> Harijan, March 31, 1946.

between different groups of the society was a painful sight. He found out that the "poor villagers are exploited by the foreign government and also by their own countrymen—the city dwellers. The villagers produce the food and go hungry. They produce the food and go without it. They produce milk and their children have to go without it. It is disgraceful. Everyone must have a balanced diet, a decent house to live in, facilities for education of one's children and adequate medical relief."<sup>33</sup> Similar were the objectives of Marx, who was also distressed to find poverty and misery in life. He was disillusioned by the deterioration in living conditions as a result of the industrialization which had already started changing the social structure of Europe. He felt that mechanization of the system of production had increased the disparity between the rich and the poor. The industrialization had also linked the progress of the raw-material producing tropics with the economic growth of Europe. Mechanization of the means of production thus brought both the industrial and the agricultural workers under its servitude. Marx believed that slavery has been as much the pivot of industrialism as machinery and credit, and both — Gandhi and Marx — believed that unless the very cause of slavery was eradicated from our society, the salvation of the starving masses could not be achieved.

Although Karl Marx and Gandhi both desired to bring about social justice in the society, their resemblance is more apparent than real. In spite of similarity in goals, they derived their inspiration from opposite sources. Immanence of God, according to Gandhi, is the basis of all life. One Existence, One Life, a Consciousness unlimited, intelligent, and universal, One Reality, the Universal Self are the attributes of God; this Existence is everything — everything without exception, and as a matter of fact, all things save the One Reality, the Universal Self, are unreal. This thought is the sustainer of the entire Gandhian philosophy, whereas Karl Marx considered such mystical statements as 'Hegelian *Vieillesse*' (old junk), for according to him, "nothing is easier than to invent mystical causes".<sup>34</sup> Karl Marx, in his analysis of social relationships, denounced metaphysics. But

<sup>33</sup> Ibid.

<sup>34</sup> Marx and Engels: Selected Correspondence. National Book Agency, College Square, Calcutta (From Marx to P. V. Annenkov, dated Brussels, Dec. 28, 1846.) p. 6.

Gandhi did not do so. For Gandhi his belief in God was paramount; everything else depended on this and every law followed this.

### Metaphysical Postulates

The concept of 'God' is fundamental for understanding the Gandhian approach to mundane problems. The Gandhian idea of God is inextricably related to his conception of 'Life'. According to Gandhi, Life is the unfoldment of God. God is the primordial cause, and Life the expression of His divinity.

Life is constantly evolving. During the process of evolution, the merciful Nature (or God) envelops everything in its compassion. But sorrow, pain, misery, poverty and exploitation are found everywhere in life. How can the compassionate God produce squalor, disease and deprivations? It seems contradictory. It is common experience to find the weaker insects becoming the prey of the mightier ones, the weaker animals being victimized by the stronger ones. A similar hostility exists even among the human beings. How can the merciful Nature perpetrate such heinous crimes? But to Gandhi, there was no contradiction. Under all these hostile conditions, Gandhi visualized the benevolence of God.

Gandhi thought that the Mighty Compassion was sweetly ordering everything to attain its perfection, the ideal form. In this journey toward the archetype, each soul has to traverse through difficult terrains. Sometimes the feet may bleed, but the journey has to be performed. Even in inflicting pain to the traveller, due care is taken by the Lord to see that unjust hardship is not caused to the individual. Under all these seemingly unfriendly forces, there is the benevolence of God which is always protecting the young soul, whether this help is felt or not by him.

God expresses himself in many forms around us. In fact, God is the essence of everything. In Him we live and move and have our beings. In all the cosmic process of evolution, from atom to man, there is the one element which must be recognized. "The tiniest cell is not different spirit from the biggest monster, nor the greatest sinner different from the greatest Mahatma, prophet or *avatar*. Even as coal and diamond, though so very different from

each other in colour, lustre, hardness and various other qualities, are but manifestations of the same element carbon, so too the different sentient beings are *One Universal Spirit*.”<sup>35</sup> This Universal Spirit is expressing itself in different forms depending upon the matter through which it works.

Whatever exists around us is either sentient or insentient. That which is capable of taking initiative, with a will of its own, is sentient. That which is insentient is devoid of will, it cannot take initiative. Insentient part of the universe is considered as ‘matter’, and sentient as life or ‘spirit’. The former is the negative or the receptive element which becomes all; the latter is the positive or the formative element which moulds all. They are ever-bound together, and together they form Nature. The universe consists of these two elements, but to put any item of our universe precisely in any of these categories is extremely difficult. For illustrative purposes, let us analyse wind.

What is wind? Wind is a force, and under its sway leaves flutter, branches of the tree swirl, and dust particles are swept away. When it is in tremendous speed, it can toss the mighty liner, it can uproot the thickest tree and can destroy palatial buildings, and can carry the largest roof for hundreds of miles. When some of these symptoms are present, we say, wind is blowing. Absence of these symptoms indicates that wind is not blowing. Presence or absence of these symptoms only indicates whether the power known as wind is potent or latent. The latent part of wind is its spiritual part, and this *spirit* of wind expresses itself through matter, which we can perceive. If we analyse the spiritual content of things around us, we shall find that *One Universal Spirit* expresses itself through different shapes and forms which we perceive.

Though Gandhi believed that the universe consisted of Matter and Spirit (Life), yet according to him, “the basic principle is Life and not Matter. Even what we perceive as insentient matter has its being in and by Life; it has no existence independent of it; at any rate, in the absence of Life none can testify to its existence. The Universe rises, exists and disappears in Life, which

<sup>35</sup> Gandhi and Marx: K. G. Mashruwala, Navjivan Publishing House, Ahmedabad, 1951, pp. 44-45.

alone is ever-existent and imperishable. Therefore, Life alone is Truth — the ever-abiding principle. All other forms and forces are, so to say, rays of emanations from it; every one of them is subject to continuous change and total conversion or resolution from one form into one or more others... the mystery of Life is that though every sentient being is always associated with it, yet is never away from it."<sup>36</sup> The all-pervading Universal Spirit is of such a mystical character that in spite of its being universal in extent, it is quite complete even in the minutest form of its manifestation. "Just as a drop of water is as completely water itself as an ocean, so Life is completely existent in a small bacterium as in the mighty lion, the huge elephant or the greatest genius. In spite of infinite varieties and degrees in the manifestation of its powers, the ultimate Base is one and even in all. Even as one may not perceive the strength of the sleeping lion though it is there in abundance, so too Life is wholly and fully present in every atom whether its powers are manifest or hidden. And its wonder is that though every individual life feels itself to be separate, self-contained and independent ego, it is not many, nor a few, but only one common Soul, Spirit—in all."<sup>37</sup> Gandhi thinks that the *One Universal Spirit* is essential for our existence, still by most of us its knowledge is missed for the whole of our lives.

According to this doctrine of *One Universal Principle*, everything is the manifestation of the same spirit pervading every atom of existence, yet, in fact, there are differences between animals, trees, plants, stones, and even two blades of grass are not identical. According to the Gandhian interpretation of life, the different forms are only apparent, they are superficial coverings. The *Universal Spirit* which is the essence of all existence assumes different forms. "We may not be able to delve into the mystery of their differences,... but for Gandhiji, there was no room for doubt that ultimately it is all One life, and It alone works everywhere. The universe composed of infinite sentient and insentient bodies, visible and invisible energies — good and wicked — moral and spiritual qualities, and micro-cosmic and macro-cosmic objects is one, and only one, ever-abiding Life — also called *Satya*

<sup>36</sup> Ibid, pp. 43-44.

<sup>37</sup> Ibid, p. 44.



(Truth), *Atma* (Soul), *Paramatma* (God). The different forms are only apparent and superficial coverings.<sup>38</sup> Life is a great impulse. It is a living consciousness which comprises within itself the sentient and the insentient. The great impulse emanates from God, just as described in the ancient mythology that God breathed and the universe was manifested. The breath of God assumes different forms according to varying circumstances, though in essence it is God who is manifesting Himself in everything. This Great Impulse which manifests itself in different forms under changing circumstances is the essence of Life which 'alone works everywhere'.

In spite of Divinity at the back of all things and all events we find the world full of inequalities, of startling contrasts which are inexplicable in the light of our modern materialistic knowledge. Amidst this welter of confusion there is no light, but the key to it — the *Law of Karma* — is re-affirmed by Gandhi which could solve the riddle.

The *Law of Karma* indicates the relationship between what the individual does and what he reaps as a consequence of it. It takes into account not only the visible universe and its forces, but also that larger unseen universe of force which is man's true sphere of activity. Just as with the flicker of an eyelid, man throws into the universe a force which affects the equilibrium of all other forces in our physical cosmos, so too with each thought and feeling he modifies the adjustment of himself to the universe and of the universe to himself. Whatever the *Lords of Karma* give a man, joys or sorrows, opportunity or disaster, their aim is to carefully adjust the good and the evil forces generated by the individual to enable him to attain his archetype. The *Lords of Karma* neither reward nor punish; they are the servants of the Law which proclaims that whatever a man soweth, so shall he also reap. The *Karma* generated by the man may be his individual *Karma* or the action generated by the group or the race to which he belongs. Even prior to the birth of a child, the *Law of Karma* controls his destiny. There are three types of *Karmas* which explain the inequalities in capacities and differences in opportunities available to a person. These three *Karmas* are given the name

<sup>38</sup> Ibid, p. 45.

of *Prarabdha*, *Sanchita*, and *Kriyamana*. The total of the accumulated past *Karma* is known as the *Sanchita* or "accumulated" *Karma*. Out of this total, the *Lords of Karma* select a certain quantity for the new life of the soul. The stock of *Karma*, with which the soul starts his incarnation, is called *Prarabdh* or the 'starting' *Karma*. As the man's life is lived, *Prarabdha* exhausts itself and new *Karma* is created as a consequence, which is called *Kriyamana* or the future *Karma*. Inequalities in opportunities and startling contrasts are inexplicable unless a perfect knowledge of the three types of *Karma* is attained. Since these *Karmas* are creations of one's own making, there is no escape from these. This, however, does not lead us to the conclusion that the 'fate' selected for the individual is absolutely rigid and immutable; a man can, and does, change his 'fate' sometimes by an unusual reaction to circumstances. Moreover, it devolves a responsibility to teachers and elders, as well as to the government under which the individual lives, to arrange his education and environment so that he will find it easier to evolve and to unfold his latent faculties. The process of adjustment is such that each individual has to reap the consequences of his past *Karma* which, many a time, brings pain to him. Individuals and communities both have to undergo the painful process of purification. Unless the debts of the past are paid, neither the individual nor the community could be able to progress and so it is an act of God's mercy that serious catastrophes take place either to the individual or to the community in order to wipe out the past bad *Karma* as if with a stroke. Courage, cooperation, benevolence and brotherliness which are very necessary to brave such situations are developed under the great strain of such hardships. Despair one should never have, not even amidst calamities; the individual should work hard to discharge his obligations on the path of righteousness, without any craving for the reward of the action. The purpose of life, according to Gandhi, is to understand the Great Law of Nature and to try to live upto it. Most of our troubles are due to our ignorance of the Nature's Law, and many a time, we do not live upto it in spite of our knowledge of it. Self-discipline, austerity, and obedience to rules of physical health, for example, regulation of diet, sleep, and personal habits are necessary as initial steps for self-purification. Sympathy, all-encompassing charity, compassion, and brotherliness would

necessarily follow. In order to live upto the ideals set by Gandhi one must have an ardent passion for the service of humanity; he must render valiant defence of those who are unjustly attacked, must have courageous endurance of personal injustice, and boldness to express fearlessly his convictions in life. And above all, the individual must be able and willing to do, at whatever apparent cost, what he considers right, no matter what others say or think. Gandhi not only preached these rules of personal life, but he arduously followed them. His life was an Experiment with Truth, and in quest of Truth he arrived at the conclusion that 'to thine own self be true'. This involved all the austerity and self-discipline with which Gandhi was associated. By following the path indicated by Gandhi, life becomes utterly simple and the social institutions become merely instruments for achieving simplicity in life. Desires and cravings on which the complex social, political, and economic institutions depend would be reduced to the minimum and consequently, there would be simplicity in the institutional pattern of the society as well.

### **Gandhian Monobasism**

Metaphysical postulates of Gandhian thinking indicate that Gandhi believed in the spiritual content of life, whereas Marxism attached importance to matter. Both Gandhi and Marx might be regarded as Monobasists, but the former considered Life as the basic principle of existence, whereas according to the latter, it is the inert Matter, which was in the beginning of the universe. This initial difference between the two about the basis of the universe produced fundamental differences in their understanding of the nature of society, which they intended to set right. (According to Marx, conjugal love has nothing divine about it, rather, it is the outcome of the material conditions and the stage of development of the productive system of the community.) Gandhi is entirely opposed to such thoughts. Marriages are spiritual relationships, according to Gandhi, and not the outcome of the materialistic pattern of the society. The human relationship in a society does not move around the fulcrum of economic motives; in fact, the society itself is the expression of divinity in man. The idea of Trusteeship in the society is a very significant contribution of Gandhi, which was based on the nobler feelings of mankind. Sacrifice of personal interests, and a life of dedication and co-

operation are the real objects of our social life. Any deviation from the ideal of brotherliness is a step towards bestiality. Co-operation and willing sacrifice are the rules of humanity; exploitation and competition the rules of jungle.

Karl Marx had a different notion of the essential nature of man. He thought that "Men never relinquish what they own."<sup>39</sup> On this assumption he advocated his revolutionary methods of changing the social structure. Unless the workers of all nations were united to struggle against the bourgeoisie, the dictatorship of the proletariat might not be achieved. According to Gandhi, there is no hostility between the different classes of the society, whereas Karl Marx could never consider cooperation in a society leading to mutual dependence and assistance as a natural process of social growth. Voluntary abdication of personal property was beyond the expectation of the Marxists. Moreover, they thought that the differences in the level of income in underdeveloped countries would quicken the emergence of communism in those societies. Experiments of Vinoba Bhave have falsified the Marxian contention. By launching *Bhoodan Yagna*, under which the owners of the means of production surrender them on their own accord for the communal good, Vinoba Bhave has demonstrated even to his opponents of the self-sacrificing nature of human beings. This is the antithesis of what Marx preached. Furthermore, Marx saw no inherent wisdom in a life of discipline and self-regulation. The Marxists did not attach importance to ethics and morality. But to Gandhi, religion and self-discipline were of supreme importance. Complexity in our economic life, according to Gandhi, is the result of complexity in our personal life. Increasing wants leading to increasing demand and the craze for greater production and greater exploitation requiring greater use of machinery would be the natural sequence of social development in a complex society. But the Gandhian society would be simple, wants would be few, and exploitation would be absent. Commercial transactions in such a society would not be so important, the use of money would be greatly reduced, and dignity of labour and human values would be restored. In such a society, industrialization would not petrify the human spirit.

<sup>39</sup> Marx and Engels: *Selected Correspondence*, op. cit., p. 7.

The Gandhian approach towards trusteeship, mechanization, small-scale and cottage industries, and perfect moral conduct is linked with his metaphysical approach to life. The Marxian diagnosis and prognosis of human miseries not only differ from those of Gandhi, they have also been falsified. In spite of Gandhi's assertion that "I call myself a communist also",<sup>40</sup> any comparison between the two is illusory. "Gandhism and Marxism are as distinct from each other as green from the red, though to the colour-blind they appear alike."<sup>41</sup> Both are concerned with the downtrodden, but the fundamental difference between Gandhi and Marx "lies in their different approaches towards life and the universe."<sup>42</sup> All other differences relating to political, social, economic, or religious order arise from this basic difference with Marx.

With regard to other Gandhian writers, it may be suggested that the intention of Gandhi was never to present a petrified institutional pattern: he did not want to propagate institutional rigidity of any variety. Whether machinery formed a major part of the productive structure of any community, whether money assumed an important role in facilitating the exchange requirements of the community or not are not fundamental for understanding the basic laws of life operating in the universe. If the Great Law—the Law of Nature—is rightly understood, life would become very simple, personal needs would be few, and there would be little emphasis on acquisition of material wealth. Productive structure of the society would be intended to cater for the requirements of the community, but sale-promotion activities and the craze for cheap production would be absent. Disparity between the rich and the poor, the gulf between the employer and the worker would vanish. All forms of exploitation would be eliminated. The concept of trusteeship would become a reality. There would be no inducement for hoarding the means of production for one's selfish comforts. The goal of life would be to foster greater fellow-feeling which would devolve responsibility on the rich and the stronger for the welfare and security of the poor and the weak.

<sup>40</sup> Harijan, August 4, 1946.

<sup>41</sup> Gandhi and Marx, *op. cit.*, p. 38.

<sup>42</sup> *Ibid.* p. 40.

The basis of the transformation is the belief in *One Universal Spirit*, which spiritualizes life in the right way and brings inner richness to the individual. Gandhi was not preaching self-mortification and return to the Jungle Economy. According to Gandhi, the Law of Karma and its corollary, the Law of Reincarnation or the transmigration of soul, formed the basis of human conduct in every sphere of life. These laws explained the mechanism of the divine transformation—the way a mortal human being attained his heavenly archetype. The pattern of human evolution, which is guided by the Universal Consciousness, is sweetly and surely influencing each form—the human being as well as every social organization—to attain perfection. This was the wide perspective in which “the ordinary business of life” was viewed by Gandhi. His aim was to present the wider canvass of life and to set right the place of material attainments on it. For a proper functioning of man, even in his ‘market behaviour’, the need for developing higher spiritual consciousness is great. When this consciousness is developed, economic organizations and the industrial structure of the society would have greater importance for the welfare of mankind. In such a society, hunger, poverty and exploitation would be absent and there would be reign of perfect harmony between the different classes of the society.

## Chapter XII

### THE GANDHIAN TRADITION

It is difficult to synthesize righteousness, a conception of obligations, *dharma*, with man's pursuit to earn his everyday livelihood, but ancient India had achieved that balance, and Gandhi too, was trying to re-establish that in his life-time. Jawaharlal Nehru once remarked, "The central idea of the old Indian civilization, or Indo-Aryan culture, was that of *dharma*, which was something much more than religion or creed. It was a conception of obligations, of the discharge of one's duties to one-self and to others."<sup>1</sup> The spirituality of ancient India had made it a cradle of civilization; at the same time, it was internationally renowned for its opulence. Gandhi wanted to revive and to re-establish the ancient glory where moral values were balanced with material attainments, and the soul of the man was not lost in the mad race for industrialization.

Speaking of the superiority of the ancient Indian culture, in 1893, Annie Besant said,

"...there was built up in the north and north-western part of what we now call India, a polity, a religion, a social life, a general national condition of which the results were that unique civilization of which Max Muller spoke. Its uniqueness consisted in the fact that it was all framed for a spiritual purpose, planned to assist spiritual evolution. The State was framed to a spiritual end; the family was built on a spiritual basis, the whole daily life was moulded to conduce to spiritual progress. So that even today it is easy in India to be religious at least on the outside, and the Hindu has ready to his hand the forms in which spiritual life may show itself; once more to quote Max Muller, he eats religion, drinks religion, sleeps religion, and breathes religion—a statement which is perfectly true..."<sup>2</sup>

<sup>1</sup> The Continuity of Indian Culture: Jawaharlal Nehru. Published in Indian Inheritance, Vol II. (Bharatiya Vidya Bhawan, Bombay, 1956) p. 109.

<sup>2</sup> The Birth of New India: Annie Besant. (Theosophical Publishing House, Madras, 1917) p. 40.

The Indian polity was built by King Initiates, the Indian religion was moulded by Divine Sages, and the Indian survival to the series of foreign invasions and the maintenance of her essential cultural heritage have been due to the incarnation of a succession of spiritual men like Shri Krishna, Rama, Buddha, Sankaracharya, Ramanujacharya and others who established sublime morality among the Indian people. The influence of Lord Manu and Lord Maitreya, the two King Initiates who guided the social organization of the Aryan civilization and who inspired the religious philosophy of the Aryan race, has been so profound that no external factor could impede the progress of the country until the integrated socio-religious fabric of the society was rent asunder; as long as the social institutions were based on the Laws of Manu and the rules of conduct enunciated by Lord Maitreya, peace and harmony prevailed in the country and there was material abundance and spiritual equanimity.

### The Laws of Manu

The ancient Aryan race under the supreme command of Vaivasvata Manu, who guided and regulated the early social organizations of the Aryan Civilization laid the foundation of a highly resilient society and promulgated certain laws for the orderly behaviour of the different constituents of the society. The main principles underlying the social polity expounded by Manu, which have come to us as *Manu-Smriti* or *Manu-Sahmita* are "psychologically so scientific and therefore of permanent value to mankind"<sup>3</sup> though the precepts cannot be followed blindly in an age so far removed from that in which they were originally laid down. According to this order of the social life, the unit of organization was the family headed by the father, whose control was absolute. Women played an important role in the society—the wife ruled the female members of the household and the servants. The village consisted of a group of families, with a headman and hereditary officers. There were many crafts such as those of the potter, the weaver, the jeweller, the carpenter and the smiths which were practised in these villages. There were many other functions which were performed by the villagers. The

<sup>3</sup> For details please see *The Science of Social Organisation*: Dr. Bhagavan Das (Theosophical Publishing House, Madras, 1932). The psychological and other spiritual basis of the laws of Manu are discussed there.



tribe consisted of a number of families or clans living in villages. The head was the king, usually hereditary. The king never claimed land, the chief factor of production, as his personal property. It belonged to the society. What the king received from his subjects was tax and services necessary for maintaining law and order in the community. The king was considered the personification of justice, but in administering the law of the land he was advised by the family priest.

The Code of Life that regulated the relationship between the various functionaries, as laid down either by Manu or his successor Bhrigu Muni, is known as the *Varn-ashrama Dharma*, which at present, is known as the Caste System. There are four stages (*ashramas*) and four classes (*varnas*) according to Manu. The Laws of Manu laid the appropriate debts, duties, rights, repayments, ambitions, appetites, rewards, means of living for the different *varnas* and *ashramas*.<sup>4</sup> The ancient structure of social organization was based on certain metaphysical principles governing life. It was necessary for all kings to know *Adhyatma-Vidya*, the Science of Self. The knowledge of Self revealed the rhythmic swing of the Spirit's Entrance into matter and its Retirement out of it—the Path of Forthgoing and Retreat. Temperaments of the individual which differed from one to another, and the stage of evolution at which the individual was at any time would determine different objective conditions necessary for his growth. The *Varnashrama Dharma* took all these into account in assigning the role of the individual in his society.

Based on the Laws of Manu, Kautilya who was also known as Vishnugupta as well as Chanakya and who lived in the fourth century before Christ as the royal adviser to the Mauryan dynasty, had prepared a monumental treatise on Economic Science. This work was intended for the guidance of kings "in acquiring and maintaining the earth".<sup>5</sup> He laid down the principles which regulated the existing social order: it dealt with trade guilds, prices, wages, subsidies, town planning, besides dealing with many legalistic and political problems which confront the royalty. There are references in this treatise to currency, its gold content and its purchasing power. Kautilya

<sup>4</sup> The Science of Social Organisation: Dr. Bhagavan Das, op. cit., p. 149.

<sup>5</sup> Kautilya's Arthashastra: Dr. R. Shama Sastry (Mysore, 1951), p. 1.

dealt with the art of government, the duties of kings, ministers, and officials and the methods of diplomacy. Different departments of the government were also discussed. The formation of villages and its administration, the law of inheritance, protection of the artisans and the peasants, execution of justice and maintenance of law and order have been studied in detail in this work.

It is significant to note that Kautilya laid great stress on moral values and advised great restraint on the organs of senses. He gave detailed instructions to this effect. He also mentioned *Varnashrama Dharma* as an important feature of the community. It was a duty of the king to see that righteousness was maintained by the people.

"The king shall never allow people to swerve from their duties for whoever upholds his own duty, ever adhering to the customs of the Aryans, and following the rules of caste and divisions of religious life, will surely be happy both here and hereafter. For the world, when maintained in accordance with injunctions of the triple Vedas, will surely progress, but never perish."<sup>6</sup>

Kautilya considered even wealth as a means for the realization of higher values. He held that wealth, and wealth alone was important, inasmuch as charity and desire depended upon wealth for their realization.

While developing the theme of the continuity of India, Michael Edwardes has stated that "Despite the impact of invaders, their religious, political and economic ideas, and the endemic anarchy which with appalling consistency followed the collapse of empires, the essential structure of Hindu India remained unchanged and was, in fact, reinforced by exterior pressure and the climate of insecurity. The foundation of the Hindu social structure, the wire fence that has protected it are the four principles of Duty (*Dharma*), Action (*Karma*), Caste (*Varna*) and Caste Responsibility (*Varnashrama Dharma*)."<sup>8</sup> In

<sup>6</sup> Ibid. p. 7.

<sup>7</sup> Ibid. p. 12.

<sup>8</sup> A History of India: Michael Edwardes. (Asia Publishing House, Bombay, 1961), p. 346.

fact, spirituality had been an ever present and a great unifying force in India till the eighteenth century.

During the Epic Age or during the early periods of the history when Lord Buddha preached his doctrine on the land or Shri Sankaracharya carried his message throughout the length and breadth of the country, or Ashoka the Great established his Rule of Compassion, the cohesion of the social structure of the country which was based on ethical considerations without sacrificing the material prosperity of the nation, was greatly strengthened. During the Classical Age of India which extended from 320 A.D., when the Gupta Empire was founded, to about 740 A.D. when Yashovarman of Kanauj died, the same trend continued. Chandragupta, Samudragupta, Vikramaditya and Harshavardhan, all were renowned righteous kings who encouraged spirituality as well as economic growth of the country. Muhammed, the Caliph of Baghdad, conquered Sindh in 711 A.D., the Turko-Afghan dynasty was established in 1206 A.D. with the ascension of Kutb-ud-din Aibak on the throne of Delhi, and the Mughal dynasty was established by Babur in 1526 A.D. These Muslim invasions and their rule did not change the basic structure of the country. The socio-economic life continued uninterrupted during these periods of alterations and altercations. Though some of these rulers imposed special taxes on the Hindus and ransacked several places of Hindu worship, they were essentially religious persons devoted to pious life. They had encouraged cultivation of spiritual values<sup>9</sup> in life as well as material attainments for the nation. They patronized the artisans and craftsmen whose testimony Taj Mahal still today attracts millions of visitors from all over the world. The revenue settlement of Sher Shah and Akbar the Great carried under the able guidance of Raja Todar Mal gave great stability to the agrarian interests of the country. Dr. Rajendra Prasad has indicated how the Muslims and the Hindus both endeavoured to build the prosperity and splendour that was Hind.

Dr. Rajendra Prasad has indicated that the Muslim Kings endowed temples and 'maths' and granted jagirs to pious Hindus and Pandits.<sup>9</sup> He has mentioned that the nucleus of the large

<sup>9</sup> Hindu Muslim Adjustments: Dr. Rajendra Prasad. (Published in Indian Inheritance, Vol. II., Bharatiya Vidya Bhawan, Bombay, 1956) p. 136.

Zamindari of the Mahant of Bodh Gaya whose monthly income ran into lakhs of rupees was granted by Muhammad Shah of Delhi. Similarly, the great gift of land to the Brahman Maharajahdiraj of Darbhanga originated from the Mughal Emperor Akbar. Even Aurangzeb, who is said to be anti-Hindu, though a very pious and devout Muslim in his personal life, by his *firmans* gave grants to the priests of the temple of Maheshvar-nath and to priests in the village of Basti.<sup>10</sup>

The economic life of India was based on a harmonious blending of spirituality, a conception of righteousness and vigorous social organization during the Hindu as well as the Muslim periods. Whosoever possessed the kingship of the country, he maintained the Indian tradition in such a way that its wealth and property grew in abundance without losing the central feature of its "conception of obligations of the discharge of one's duties to onself and to others". This unique characteristic of the country gave to it such a great cohesive force that it remained unscathed in spite of a series of external onslaughts. The self-contained Aryan villages had become invulnerable to any exterior pressure. Such invaders as Semiramis of Nineveh (2034 B.C.), Rameses II of Egypt (981 B.C.), Darius of Persia (6th Century B.C.), Alexander of Macedonia (327 B.C.) returned home leaving only some traces behind them. Such a temporary tribute, as levied by Darius, of gold-dust from Sindh and the north-western Punjab could not disrupt the national economy, whereas the impress of Greek art on sculptures and carvings in India enriched her civilization.

India had been greatly renowned in the past for her material prosperity and her craftsmanship. Her trading relations were established with many countries of the ancient world. She traded with Babylon in 3,000 B.C. Egyptian mummies dating 2,000 B.C. have been found swathed in finest Indian muslin. Hiram of Tyre traded with India in 980 B.C. A large and lucrative trade was carried on with Rome; ladies of Rome's Imperial Courts delighted to deck themselves in Indian silk. Megasthenes of Greece, Fa-Hien and Hieun-Tsang of China paid glowing tributes to the Indian Civilization and its prosperous villages as well as its industrial

<sup>10</sup> Ibid., pp. 136-7.

efficiency. Even during the early Mughal period, though the country was politically unsettled and the overseas trade greatly handicapped, the overland trade improved. There were regular trade routes from Lahore to Kabul and from Multan to Kandahar which extended upto Persia, China and Europe. In the fourteenth, fifteenth and the sixteenth centuries, travellers from several countries mentioned with great admiration the quality of Indian manufactures, the prosperity of her trade and the fertility of her soil. Marco Polo (1256-1323) has recorded that even at the end of the thirteenth century India exported indigo, pepper, ginger, cotton, rice and several other items of everyday use. Ibn Batuta (1304-1378) has also mentioned in his travel accounts the prosperity of the country. Phillimore wrote in the middle of the eighteenth century that the droppings of the Indian soil fed distant regions, while she clothed in gorgeous garments the Doges of Venice, the Grand Nobles of Italy and the Great Monarchs of Europe.

Prior to the advent of the European traders in India, she had trading relations with several countries. She traded with Babylon, Nineveh, Egypt, Persia, Greece, Rome and several other parts of Europe and Far East and she had developed trade relations with China, Persia and Arabia. The chief items of export from India consisted of textiles, metal-wares, ivory, dye-stuffs, and spices. She imported mainly minerals, brass, tin, lead, wine etc. India never found herself poor until she reached the latter half of the eighteenth century when the European countries started establishing their trading houses in the country.

### **Decline of the Ancient Social Organisation**

The fabulous wealth of India attracted European traders to come to this country primarily with the intention of friendly trade. The British came to India along with the French, Portuguese, and others to engage themselves in normal trade. They came to India without any knowledge of the essential features of the Indian polity. They were neither interested in political conquests, nor had they any intention to meddle with the internal affairs of the country. Unfortunately, however, the political cohesion after the death of Aurangzeb in 1707 was greatly upset. At that time, there was even spiritual doldrum in

the country. The ancient *Varnashrama Dharma* and the philosophical vision of the Vedantic unity in all forms of manifestations no longer held the social framework with the same strength. There was chaos in the social organization and degradation in the spiritual field. The European traders could neither understand this situation, nor could they help it. They were interested in safeguarding their trading privileges, and in the process of protecting their rights, they drifted into the position of governors of the country. The East India Company assumed administrative powers after the Battle of Plassey in 1757; nevertheless, it remained primarily a commercial organization with the monopoly of British eastern trade until 1813. Twenty years later, in 1833, the East India Company ceased trading altogether, and its main responsibility became the administration of the country.

The British rule in India was established as an indirect consequence of the activities of the East India Company. The early administrators of the country were the Company employees, who were primarily guided by the objective of fiscal and commercial profit. They possessed very limited knowledge of the institutional set-up of India. They introduced several changes, probably with the intention of safeguarding their own interests, and in the process, the self-sufficiency of the rural areas was broken down. It was a severe blow to the very basis of the Indian economy.

There were many causes which led to the decline of the self-sufficiency of the Indian rural structure. Change in the system of tax-collection was an important factor. Traditionally, the payment was made in kind and it used to be a proportion of the aggregate yield. With the advent of the British rule, payments were made in cash without any reference to the total yield. Furthermore, the communal ownership of land was changed into the system of peasant proprietorship. The import of cheap factory-made articles struck at the root of the Indian craftsmanship. From the position of an exporting country, India became primarily an importing nation. As a result of these changes which vitally affected the basic framework of the rural economy, the economy of the country was seriously dislocated and the nation was gradually reduced to a state of continuous scarcity: between 1770 and 1900 there were twentytwo major

famines, besides the recurring minor ones and the continual position of semi-starvation. During the famine of 1770, "the Hooghly every day rolled down thousands of corpses close to the porticoes and gardens of the English conquerors. The very streets of Calcutta were blocked up by the dying and the dead. It was officially reported to have swept away two-thirds of the inhabitants."

It would be folly to blame exclusively the British Government for the economic degradation of India. Introduction of the mechanical means of production, whose tempo was tremendously accelerated during the eighteenth and nineteenth centuries in England, altered the commercial interests of the two countries. The encouragement to the Indian manufacturers which was accorded by the employees of the East India Company with the intention to derive lucrative profit yielded place to the creation of a protected market in India for the factory-made cheap British goods. Added to it, the economic philosophy propounded by Adam Smith, David Ricardo, J. S. Mill and others who championed *laissez faire*, provided a theoretical justification for the non-interference of the British Government in the economic development of India. When the Indian interests clashed with those of the United Kingdom, the British Parliament considered protection of one industry against another a transgression of the contemporary economic tenets of social justice. The Indian railways and plantations offered investment opportunities to the British capital when such opportunities were drying up in that country. The opening of the Suez Canal further expanded the Indo-British trade.

These developments had an adverse influence on the economic balance that had existed in India. The ancient social fabric was rent; the Indian villages were no more self-contained units. The *Varnashrama Dharma* no longer regulated the relationship between the individual and the society. The volume of trade increased under the impact of the British dominance, but it adversely affected the moral stature of the country. The masses became poor; and a hungry man has neither morality, nor any resistance to further exploitation. Any transaction which provided some means of livelihood, the Indian workers gladly accepted. Any commodity which could enable them to earn some money,

they would sell, and that ultimately changed the pattern of Indian exports. India became an exporter of primary products; she began sending out foodstuffs such as wheat, rice and tea, and raw materials as cotton, jute, oil-seeds and hides. In exchange, she imported manufactured items such as textiles, hardware, glassware and transport equipment. The Indian villages thus became feeders to the expanding industries in Great Britain.

Under the British influence, the ancient system of village organization was disrupted. There was decay in rural industries. India became a feeder of raw materials to British manufacturers. There was drain on the Indian economy. The people became poor. Starvation and famine became regular features of the country. Changes in the administrative set-up of the country disintegrated the interdependence of the different sections of the community. There was frustration in the country. The revival of several religious sects and the growth of various organizations for social uplift were intended to fill the spiritual vacuum. The birth of the Indian National Congress itself was a result of the deeprooted dissatisfaction among the people. It was necessary, it seemed at that time, that some vitality must be infused in the nation which could energize its spiritual urge as well as buttress the economic revival of the country.

### **Economico-Spiritual Revival**

Of the various religious societies such as the Brahmo-Samaj, Rama Krishna Mission, Arya Samaj and many others which did splendid work for the spiritual regeneration of the country, the position of the Theosophical Society is very special. It was an organization originally founded by an American and a Russian along with other persons of various nationalities, none of them being Indian, but the aim of the Society was to help India in its growth and development so as to enable it to acquire its rightful place in the galaxy of advanced nations. Her spiritual superiority, the original founders acknowledged, and they aspired to imbibe the spirit of Indian wisdom by reviving its ancient learning and culture but in order to do so, they thought it necessary to help its educational reconstruction as well as its economic regeneration. Though the main declared objective of the Society was the establishment of a nucleus of the Universal Brotherhood, it gave great impetus to the politico-economic regeneration of India.



In order to encourage the industrial activity of the country, the first international president of the Society, Col. H. S. Olcott, started arranging exports of the Indian goods to America. He organized in 1879 with great eclat the first Swadeshi Exhibition in Bombay. A display of machinery made by the Indian artisans was organized along with exhibits of indigenous works in brass, ivory, sandal-wood, steel, marble mosaics of Agra, lovely shawls and soft woollen stuff of Kashmir, handwoven muslins from Dacca and elsewhere, cutlery from Pandharpur, and other artistic exhibits from the Baroda School of Arts. The Dewan of Kutch, Shri Mani Bhai Joshi Bhai, sent a complete collection of arms and some of the silver-ware from that State. The foreigners who visited the exhibition expressed themselves charmed with the industrial display and accorded deserved praise to some of the magnificent exhibits. The exhibition was an eye-opener. The Indian industrialists who had undertaken the manufacture of textiles felt encouraged.

Another effect of the Theosophical Society was the foundation of the Indian National Congress. It was a group of theosophists who at the Adyar Convention in 1887 thought of organizing the Indian National Congress which subsequently met in Bombay to formally found it. The Indian National Congress from its very beginning attempted to tackle the economic problems of the country. At the very outset the Congress endeavoured to set right the village economy; it also adopted measures for industrial and agricultural improvements of the country. It emphasized the necessity of examining the problems of peasant proprietorship afresh. The social organization which had existed at the time of the Mughal period could not be maintained under the British rule. On the contrary, several measures which were introduced by the Company administration as well as by the British Government brought great hardships and insecurity to the people. The Settlement Laws were periodically revised under the British Government and the rates of taxation increased. The military budget of the Government was also increasing. There was no significant social legislation during the early British period. The Congress, therefore, thought it necessary to examine the condition of the agricultural workers and to formulate ways and means for improving their condition.

The Indian National Congress envisaged village reconstruction as a part of the general economic development of the country. It organized mass demonstrations against the imposition of those taxes which adversely affected the indigenous manufactures. It was emphatically stated by the Congress that the British Government was unsympathetic towards the economic development of India. Speaking at the Calcutta session of the All India Congress Committee in 1906, Pandit Madan Mohan Malaviya accused the British Government of its anti-Indian policy which was responsible for the economic backwardness of the country. He wanted the protection of the Indian nascent enterprises. In order to do so, it was necessary to discourage the consumption of foreign goods. In 1910, C. Y. Chintamani, while moving a Resolution on *Swadeshi* at Allahabad, stated that India was being increasingly considered as a feeder to England, growing raw materials which were required for England to be shipped 'by British agents in British ships, to be worked in fabrics by British skill and capital, and to be re-exported to India by British merchants through their British agents'. Such Resolutions indicated the growing frustration and disappointment at the Indo-British commercial policy.

The second international president of the Theosophical Society, Annie Besant, worked in a significant way for the freedom movement of India. Count Hermann Keyserling once remarked, "...in time the whole world will know that Annie Besant did at least as much for the liberation of India as Mahatma Gandhi". The great work done by her was acknowledged by members of all schools of thought and communities. Lokmanya Tilak, a leader of the extremist section, told her "if India is nearer the goal it is due to your strenuous efforts." Jinnah said, "No other person has worked and served our cause with that singleness of purpose, and devotion and transparent sincerity as has Mrs. Besant. She has sacrificed all she could. What for? For the freedom of India". Speaking in 1920, Annie Besant said, "My chief 'job' is India, that she may rise to her full stature, and a Free Nation may do for the world what none but she can do—pour out over the earth, from her place in the great Commonwealth, of which Britain is the centre, the priceless spiritual treasures conserved with this object for thousands of years, and prove to all

the Nations of the Earth, as she proved it in the glorious days of her youth, that where the Kingdom of God and His righteousness are found, there also are found the might of intellect, the nobility of ethic, and the outer splendour of worldly prosperity. All these are added where the Spirit reigns supreme."

Annie Besant emphasized the need for securing economic stability in order to avert the "Revolution of Hunger". She indicated the need to redress the sufferings of the poor and the starved for which the condition of the Indian agriculture and industries must improve. She stated,

"Unfortunately you have only one general business here, namely agriculture. At least it might be made very much better than it is at present, so that famines, which are a recurring horror in the land, might be prevented. But they can only be prevented by a wiser system of agriculture on the one hand, and by the building up of manufacturing industries throughout the land on the other.

"But, mind you, the manufactures that you want are the manufactures of this country. Here arts and crafts are fast dying. Your weaving craft is dying out of existence, because its products are not bought... Why is it that the weavers of cloths, the potters, and metal workers, and the makers of beautiful objects of all kinds, the weavers of shawls in Kashmir, and of muslins and silks in other parts of the land, why are they slowly disappearing? These people, who by heredity are fitted for the work, are swelling the ranks of the agricultural labourers, starving the land and overcrowding the fields. Why this? Because for many years you have been wearing foreign goods in preference to home-made ones... One thing, of course, was that the foreign-made goods were cheaper but also less durable. Assuming that they are cheaper, how stupid that they should be so? You grow cotton, you send the cotton to Lancashire, Lancashire spins and weaves it into cloths and sends them out here, and sells them cheaper than you can spin and weave your own cotton! There is something very badly managed in this, to say the least of it... You should have gone on supporting the Indian weaver,

working in his own village, and giving you lasting and well-made cloths. If that had been done, the village weavers would have remained prosperous, and that prosperity would have reacted on the agriculturists and so with everything else. . . .

“... Wear Swadeshi clothes, as I have been urging you to do for years. . . . But do not carry on a mad crusade against everything English, specially with the help of boys. Appeal to a man's brain. Surely there is argument enough; without home manufactures, there is no prosperity; without home manufactures, there are overcrowded, unproductive professions and undermanned industrial pursuits.”<sup>11</sup>

Annie Besant was elected in August 1917, President of the Indian National Congress. During her presidentship she made the Congress a very vital organization. She even brought the industrialists within the Congress fold and made them realize that their special duty was that of the stewards of the natural resources of the country to organize agriculture and other industries and to accumulate and dispense wealth of the country. The merchant class realized the advantages of the Home Rule for India Movement and began providing financial assistance to the Indian National Congress. The hardships Besant had undergone for India, the tempo with which she had worked, and the moral stature she had attained made her very dear to the Indian people. Her efforts made the people realize the strength of spirituality which should not be excluded from political activities.

Under the leadership of Dadabhai Naoroji, Bal Krishna Gokhale, Annie Besant and several others, India became conscious of the necessity of political freedom for her economic development. It also realized that the first step in this direction was to encourage indigenous production. The revival of the village self-sufficiency was felt a necessity. The ancient system of social organizations based on the Laws of Manu was once more given serious thought to and practical implications of these laws began to be worked out. The leaders emphasized the role of the villages and how they formed the natural unit for administration with complete adult suffrage in them. The village councils were

<sup>11</sup> The Birth of New India: Annie Besant, Op. Cit., pp. 19-22.

expected to deal with all matters concerning the village. Then came councils for towns with adult suffrage. Next in order were smaller municipalities and *taluka* boards, and then, the larger municipalities and district boards, and the provincial and national parliaments with more and more restricted franchise. Thus, the small organizations formed parts of a bigger unit, but the adult franchise which was granted for the village councils was considerably reduced for the higher forms of organization. It was thought necessary that the voter should be able to understand and capable of forming opinions on the questions which their representatives were going to decide.

When Gandhi joined the freedom struggle, there was nothing drastically new that he could bring to it. But he emphasized the importance of ethical behaviour in such a way that everything assumed a new significance. He stressed the need for ethical behaviour in political agitations too. Self-discipline and self-purification of the individual, besides the identification of political workers with the interest of the starving masses, were essential for every social worker. Gandhi did not isolate religious practices such as fasting, diet regulation, and abstinence from married love from his political injunctions. What Annie Besant expected from the members of the *Sons of India* and the *Daughters of India Society*, Gandhi expected from every member in his following. Ethics and economic development were blended together under the Gandhian influence. Gandhi emphasized that political freedom and economic prosperity could not achieve their objectives if they were divorced from ethics.

Under the influence of Gandhi, the Indian National Congress changed the pattern of its activities. Annie Besant had made the country conscious of its past glory and confident of the possibility of attaining it once again; Gandhi promulgated his Constructive Programme with the intention of reorganizing village industries, improving the living conditions of rural areas, imparting general education to the masses, and developing an integrated approach to life. He emphasized the use of Khadi as an aid to self-discipline. Hand-spinning was introduced in the National Programme in 1920. At that time, spinning of the Khadi yarn and weaving of hand-woven cloth were prescribed as 'measures of self-discipline and self-sacrifice for every man, woman and child'

The following year it was emphasized as a duty of every Indian to devote half an hour every day to spinning as 'an act of sacrifice at the altar of *Daridra Narayan*, the God of the poor'. The spirit behind Khadi was not merely to produce cloth, which could have been done cheaper by textile mills, but it had "deeper economic and spiritual significance". The prevalence of penury and destitution all over the country, though a small section of it rolled in luxury having a surfeit of art, literature, sport and other pleasures, could not be controlled, according to Gandhi, unless the extravagant demand for commodities produced outside the country was curtailed and productivity of the indigenous craftsmen raised. The introduction of hand-spinning as a substitute for machines which could do the job more efficiently, was not guided by any inherent malefic influence of the latter, but by the consideration that the industrial system of production accentuated the contrast between the different income groups, and it made the individual lose his identity. To counteract this situation, Gandhi emphasized the importance of Khadi. As a result of this movement, it was expected that the bargaining strength of the individual worker would increase and he would be able to get an equitable share in the national cake.

The Constructive Programme included in its scope sanitation of the village and inculcation of proper food habits in the people. It also included manual work, such as simple road making, cleaning the lanes of accumulated rubbish which gathers flies and other disease-carrying germs, introduction of improved methods of disposal of human excreta which could be suitably used for manuring the field, cleaning village wells and tanks, and teaching the villagers proper use of water supply and sanitary habits. Food reform included the introduction of a system of balanced diet which could provide all the necessary nutrition. The importance of hand-pounded rice was emphasized. The constructive work involving inculcation of sanitary habits, cleaning the village and spinning one's own cloth was guided not only by social considerations, but the economic implications of these activities were also taken into account. In a community with meagre public utility services and the highly-taxed population with low levels of income, it was necessary that the contribution of the people for public utility services came in the form of voluntary services. Only

in that way, such a community could raise the economic level of her people and make the living conditions better.

The beginning as well as the end of Gandhi's economic philosophy had been the well-being of the people—the common man—instead of an abstract 'economic man', or the proud statistical records of speed, production and accumulation. The evolution of life does not necessarily depend upon economic prosperity, rather it depends upon the spiritual content of one's personal and social life. The understanding of the relationship between the subjective and the objective conditions of man is important for appreciating the significance of the Gandhian Constructive Programme. His faith in Khadi, village and cottage industries, the theory of the Basic Wage Rate and in the social goal of economic prosperity was guided by the vision of the Spirit which was of paramount importance to him. The Constructive Programme endeavoured to reflect, however dimly, that vision.

What Gandhi wanted to create was an ideal society based on the ancient Indian culture, where pauperism was completely eradicated, ancient and health-giving industry was restored, and bloodless peace that comes from simple and godly life established. Gandhi stated his conception of India's destiny as follows:

"India has withstood the onslaughts of other civilizations because she has stood firm on her own ground. Not that she has not made changes. But the changes she has made have promoted her growth. To change to industrialism is to court disaster. The present distress is undoubtedly insufferable. Pauperism must go. But industrialism is no remedy.....

"If we would but think seriously and persistently, we shall discover that, before we make any other changes, the one great change to make is to discard foreign cloth and reinstate the ancient cottage industry of hand-spinning. We must thus restore our ancient and health-giving industry, if we would resist industrialism....

"India's destiny lies not along the bloody way of the West, of which she shows signs of tiredness, but along the bloodless way of peace that comes from a simple and godly life. India is in danger of losing her soul. She cannot lose it

and live. She must not, therefore, lazily and helplessly say: 'I cannot escape the onrush from the West'. She must be strong enough to resist it for her own sake and that of the world."<sup>12</sup>

On another occasion, while speaking over the Columbia Broadcasting System Gandhi said, "I personally would wait, if need be for ages, rather than seek to attain the freedom of my country through bloody means. I feel in the innermost recesses of my heart . . . that the world is sick unto death of blood-spilling. The world is seeking a way out and I flatter myself with the belief that perhaps it will be the privilege of the ancient Land of India to show the way out to the starving world. . ."<sup>13</sup> Whether the starving world followed the ancient Indian way or not was not for Gandhi to contemplate; as a sincere student of the *Bhagavad Gita* he expressed what he felt, and practised in his personal life what he preached to others. He was a fearless exponent of the Indian tradition: what Ved-Vyasa, Lord Buddha and Sankaracharya did in their time, Gandhi tried to do in the contemporary world to maintain the continuity of the Indian tradition.

<sup>12</sup> Young India, October 7, 1926.

<sup>13</sup> The Life of Mahatma Gandhi: Louis Fischer, (Jonathan Cape, London, 1951), p. 315.



## Chapter XIII

### NEO-GANDHIAN APPROACH

Even prior to Independence, the need for rapid economic development was being increasingly recognized and the central direction acknowledged inescapable for banishing terrible poverty from India. The attainment of political freedom was considered merely the early steps in the same direction. Gandhi had himself expressed on the occasion of Independence that there was no room for making festivities and merriment unless the terrible poverty was banished from the country. An economic revolution would require a thorough transformation of our socio-religious structure, which is by far the most deeply rooted in the world. This change in India, in order to attain economic prosperity, was to be made not by compulsion, but by consent which was very difficult to do. Prime Minister Jawaharlal Nehru in his crusade against indigence has avoided to exert any pressure on the free will of the people. "Obviously, it is necessary to plan, to direct, to organize and to co-ordinate," he said, "but it is even more necessary to create conditions in which a spontaneous growth from below is possible."<sup>1</sup> In the Indian context, more than the rate of growth of capital formation, the continuity of culture and tradition is important. From this point of view, one would like to agree with Paul Johnson's remark that "India will not attempt to make a Great Leap Forward; neither will she be forced into arbitrary and agonizing reversals of her economic policies. The tortoise may be exasperatingly slow; but it is nevertheless moving steadily—and in the right direction."<sup>2</sup> The main characteristics of India's approach to her economic problems could only be examined with reference to her long-term objectives—the type of the society she wants to build.

Probably, the First Five Year Plan has been of greater significance than the achievement of *Swaraj* itself. Political freedom removed the impediments whereas the formulation of the

<sup>1</sup> Inaugural speech delivered at the first Development Commissioners' Conference, Delhi, May 7, 1952. (Published in Jawaharlal Nehru on Community Development, Government of India, Delhi 1957, p. 6).

<sup>2</sup> The Tortoise and the Hare: Paul Johnson. Published in *New Statesman*, London, June 1, 1962.

Plan was a bold declaration—the Magna Carta of the social objectives of the country. The Planning Commission set up in March 1950 with the avowed task of studying the causes of economic backwardness, assessing the resources of the country, formulating plans for the most effective and balanced utilization of the country's resources, determining the priorities and the technique of planning as well as evaluating the progress achieved in different sectors of the economy has demonstrated great objectivity, impartiality and skill in working out the details of the socio-economic order consistent with the Indian tradition and the genius of her people. Though the formulation of the First Five Year Plan covering the period April 1951—March 1956 was more concerned with the solution of immediate problems, the long-term goal was not overlooked. In May 1952 Jawaharlal Nehru said, "How to give an opportunity to this vast mass of human material—that is the problem. You cannot suddenly give it to all, however much you may plan for it. Of course, you must plan for everybody. No planning which is not for all is good enough. You must always have that view before you and you must prepare the foundations for the next step towards the final goal."<sup>3</sup> For a lasting success in nation-building activities, more than speed, direction of the efforts is more vital and there are reasons to believe that the First Five Year Plan of India in this respect moved in the right direction.

The First Five Year Plan had to function under serious constraints. The Partition, shortages, inflation, and imbalance between various sectors of economy necessitated the building up of a broadbased agro-industrial foundation so that future programmes of the economic development could succeed easily. In spite of emphasis on material prosperity and economic balance, the importance of human values was not subordinated to bringing about mechanization in the country. The Plan considered that "unemployment was not merely an economic problem, it was a social problem involving human values and had to be approached from a broader viewpoint".<sup>4</sup>

<sup>3</sup> Jawaharlal Nehru on Community Development, Op. Cit., p. 11.

<sup>4</sup> The First Five Year Plan: Planning Commission, New Delhi, p. 25.

The Community Development Programme which was inaugurated on October 2, 1952 "has acquired significance, not merely for India but also for scores of other countries struggling likewise for light out of the darkness of poverty, ignorance and disease in which we grope today."<sup>5</sup> While pointing out the significance of the Community Development Programme, Prime Minister Nehru said, "These Community Projects appear to me to be something of vital importance, not only in the material achievements that they would bring about but much more so because they seek to build up the community and the individual and to make the latter a builder of his own village centre and of India in the larger sense."<sup>6</sup> This programme, on the one hand, intensified economic development in rural areas in such a way as to mobilize voluntary efforts for the nation-building activities, increase their productivity in various spheres of economic undertakings, raise the cultural level of the rural people and to inculcate an integrated approach to rural reconstruction schemes with a view to attaining self-contained balanced growth of the villages. On the other hand, it has emphasized the human element in nation's growth, the value of cooperative endeavour and the need for arousing and developing personal creativity for the social purpose.

The stupendous task of mobilizing idle manpower was expected to be tackled primarily by the provision of additional employment opportunities created in agricultural as well as in other non-agricultural sectors of the economy, including village and small-scale industries, but the formation of non-political voluntary organizations such as Bharat Sevak Samaj, Bharat Yuvak Samaj and others has also influenced the problem in a special way. These organizations have been successful in mobilizing voluntary labour for constructing national highways, irrigational projects and various other projects of national importance which otherwise would have cost huge money.

Among the non-conventional methods of tackling economic problems, mention may be made of the *Bhoodan Yagna* launched by Vinoba Bhave and the special facilities accorded to the small-scale industries. The Bhoodan Movement was initiated in 1951

<sup>5</sup> A Word of Explanation: S. K. Dey. Published in Jawaharlal Nehru on Community Development. Op. Cit., p. 4

<sup>6</sup> Jawaharlal Nehru on Community Development. Op. Cit., p. 8.

by Vinoba Bhave, one of the greatest disciples of Gandhi. This Movement consisted in the collection of land from landowners as gifts and its distribution to the landless. The land thus distributed was given in trusteeship, on the understanding that it would not be sold, mortgaged, rented or left fallow and that, if misused, it should return to the 'pool' for redistribution. This voluntary surrender of property, which demonstrated the inherent goodness of man, was unique in many ways; it showed the possibility of a rapid rural revolution in bringing about a peaceful redistribution of national wealth.

In order to give encouragement and to safeguard the interests of the village and small-scale industries, all-India boards relating to handloom products, handicrafts, Khadi and village industries, silk, and coir industries were set up to organize programmes for the production and development of their respective industries. In the sphere of Common Production Programme where the cottage and small-scale industries competed with large-scale enterprises, steps were taken to regulate the balanced growth of both the sectors. Of these measures, the following may be indicated as important ones:

- (a) demarcation of the sphere of production;
- (b) non-expansion of the capacity of large-scale industry;
- (c) imposition of levy on large-scale industry to assist development of cottage and small-scale industries;
- (d) provision of supply of raw materials for small-scale industries and securing markets for their output; and
- (e) coordination of research, training etc.

During the second half of the First Five Year Plan, when the unemployment problem had become acute in the country, the village and small-scale industries were accorded additional encouragement with the hope that they would relieve the intensity of the problem. The late Dr. Rajendra Prasad, our former President, addressing the Union Ministers and Senior Officials of the Government of India on August 29, 1953 suggested the use of Khadi in President's House and other Government Departments in order to give incentive to handloom weavers. He recommended the Government to issue instructions to all its Departments,

except those of the Police and the Army, to make all purchases of spats, napkins, towels, curtains, dusters and such other things from the Khadi stores.

The First Plan made the country Plan-minded. Towards the close of the quinquennium, the country was seized with the task of formulating long-term social objectives to which the Second and subsequent Plans were to conform. At the Avadi session of the All India Congress Committee in January 1955, the resolution on the Socialist Pattern of Society laid down the goal of India's economic progress. While introducing this resolution, Jawaharlal Nehru said that the establishment of such a society in India would not mean imitation of socialism which had prevailed in other countries. Conditions change from one country to another. India was not expected to adhere rigidly to any doctrinaire form of socialism. Her goal was based on the historical aspirations of her people. The socialist society in India would provide social justice, reduce inequality of wealth and income and would increase the level of production. In order to instil self-respect in her people, the Indian socialism would aim at executing her economic programmes in such a way that they would provide the largest employment potential in keeping with the growth of the economy. It was postulated that the official control exercised by the Government would make sure that adequate skill, managerial efficiency and expert advice were secured at every stage of production. These ideals were recognized to be difficult of achievement but to synthesize them was the function of the Indian Planners and it was hoped they would be able to do so.

Planning Minister Gulzarilal Nanda in August 1955 issued a brochure<sup>7</sup> in which he discussed some of the basic considerations relating to the formulation of the Second Five Year Plan. In that brochure, he explained the implications of the Socialistic Pattern of Society. Nanda stated that the objective of the Socialist society involved a process of social changes which consisted in limiting the place which property and privilege in any form occupied in the Indian society and in providing equality of opportunity to all citizens. He further explained that the Socialist

<sup>7</sup> Gulzarilal Nanda: Approach to the Second Five Year Plan, some basic considerations. Planning Commission, New Delhi. August 1955.

Pattern of Society implied a large and growing public sector in the national economy. The growing sphere of the public sector under this pattern of society, however, "did not preclude the existence of private sector, particularly in agriculture and small-scale industry and commercial operations. It has, however, to be brought into harmony with the public and cooperative sectors. To the extent the private sector functions in large-scale industry and trade, the principle of trusteeship enunciated by Gandhiji has to be brought into play in such business activity."<sup>8</sup> When the All India Congress Committee met in New Delhi, in September 1955, it was emphasized that all factors of exploitation arising from property and privilege should be eliminated and effective equality of opportunities assured to all citizens in order to achieve the new pattern of society. Equality of opportunity and reduction of disparities in income and wealth were considered of great significance in order to bring about social justice in the community.

The Second Five Year Plan, while indicating its objectives and techniques, stated that "a rising standard of life, or material welfare as it is sometimes called, is, of course, not an end itself. Essentially, it is the means to a better intellectual and cultural life. A society which has to devote the bulk of its working force or its working hours to the production of the bare wherewithals of life is to that extent limited in its pursuit of higher ends. Economic development is intended to expand the community's productive power and to provide the environment in which there is scope for the expression and application of faculties and urges."<sup>9</sup>

The Second Five Year Plan covering the period April 1956 to March 1961 attempted to achieve the early conditions of the Socialist society. The Plan aimed at raising the standard of living of the common man much more than what was already achieved by the First Plan. This Plan was directed towards reducing the gap between the different levels of income; it made available the benefit of economic development more and more to the relatively less privileged classes of the society so that there was a pro-

<sup>8</sup> Ibid., p. 4.

<sup>9</sup> The Second Five Year Plan: Planning Commission, New Delhi. pp. 21-22.

gressive reduction in concentration of income, wealth and economic power. The industrial sector of economy was developed in such a way that much greater employment opportunities could be available to the people, thus eliminating the adverse consequences of industrialization. The Second Plan was predominantly employment-oriented. It was necessary to improve the lot of the common man: the magnitude of unemployment was considerable even at the conclusion of the First Five Year Plan. In order to reduce unemployment and to provide gainful occupation for new entrants to the labour force, the Second Plan emphasized two major steps, namely, the regulation of large-scale industrialization with an appropriate share in it of the public sector and secondly, the expansion of small-scale industries. The former was useful even for securing social justice and economic stability, whereas the latter ensured decentralization of economic power and strengthening of the village economy. It was made clear by the restatement of the Industrial Policy Resolution that the latest industrial policy of the country was not to include the entire field of industrialization in the public sector. It was stipulated that the Government took over an industry either to foster the development in that sphere of activity which might have otherwise been neglected under the private initiative, or to regulate the growth of those undertakings which were important from economic, social and strategic standpoints.

During the Second Plan period, the scope and function of the public undertakings had considerably expanded. Three new steel projects were set up. An atomic reactor was established at Trombay, and much progress was made in the exploration of mineral oil and the setting up of oil refineries in the public sector. The Government had undertaken the manufacture of heavy chemicals, such as sulphuric acid and fertilizers, important medicinal products such as penicillin and streptomycin, as well as the setting up of heavy electrical plants and the manufacture of machine tools. The list of the public sector projects indicated that the Government had assumed the role of "the trustee of national resources." The two sectors of the economy were expected to function as partners in the stupendous task of nation-building.

It was already recognized in India that the material prosperity of the country was intended to develop the creative

faculties of her people. The Socialist Pattern of Society emphasized the importance of human factor in the nation-building activities; man was considered the ultimate objective of planning; the tempo of industrialization or the rate of economic development was subordinated to the welfare of the individual. In deciding the desirability of setting up an industrial concern, its repercussions on the mind of the people were also taken into account. Despite these sociological and psychological considerations, the economic progress of the country had been significant during the second quinquennium of planning: national income\* of India during the decade 1951-61 increased by 42 percent and the output of foodgrains increased by 46 per cent.

While formulating the Third Five Year Plan of India, the experiment has been carried farther. While working out the details of the socialist society suitable to the country, the Gandhian ideal of removing economic backwardness of the country without sacrificing the moral and spiritual values has been acknowledged and incorporated as the main feature of the Third Plan. The Third Plan Report has stated, "The basic objective of India's development must necessarily be to provide the masses opportunity to lead a good life."<sup>10</sup> But the concept of a "good life" might mean differently to different forms of a social order. In a collective society unless the individual subordinated his spirit to the will of the State and accepted himself as a component of the complex machinery, his 'goodness' might be considered treason and a crime against the State. In a free society, goodness lies in discovering the latent faculties of oneself and securing the conditions where they could grow without any hindrance. In the Indian context, this idea is carried a little farther: it takes for granted not only individual creativity but the maintenance of international peace and harmony which, of course, implies the extermination of poverty, disease and ignorance from every country, so as to build up a liberated humanity.<sup>11</sup> How to attain freedom from poverty, freedom from disease and ignorance and how to bring about social justice in our human society are the important problems of the day, but their significance lies in providing the suitable social conditions

<sup>10</sup> The Third Five Year Plan: Planning Commission, New Delhi, p. 1.

<sup>11</sup> Ibid.



where the faculties and inner urges of the individual can be expressed freely and his growth on different levels of existence—material as well as spiritual—becomes possible. The Third Five Year Plan has the distinctive quality of integrating material requirements of the country with its spiritual goal.

The history of India recedes back to several centuries during which period certain distinctive features characterising the essential nature—the spirit—of the nation has evolved. These cannot be overlooked while planning for the country; they must form an integral part of any developmental effort. While discussing these distinctive features of India, the Third Plan Report stated, "They are in fact a set of moral and ethical values which have governed Indian life for ages past, even though people may not have lived upto them. These values are a part of India's thinking, even as, more and more, that thinking is directed to the impact of the scientific and technological civilization of the modern world. To some extent, the problem of India is how to bring about a synthesis between the two. Probably, no other country in the modern world would have produced a Gandhi; even Tagore, who was typically modern in his approach to life's problems, was, at the same time, steeped in India's old culture and thinking. His message is thus one of synthesis between the two."<sup>12</sup> The Third Five Year Plan of India is an attempt, a bold one, to produce that synthesis: it is an interpretation of Gandhian ideals in concrete economic terms, in order to provide a good life to the four hundred million people of the land.

A country advancing towards the ideals set up by Dadabhai Naoroji, Mahadeva Govind Ranade, Bal Krishna Gokhale, Mohandas Gandhi and several other stalwarts, must secure a rapid economic growth, expansion of employment opportunities, reduction of disparities in income and wealth and prevention of concentration of economic power and it must create suitable values for a free and equal society. These are, by no means, easy goals. Various sociological, political and economic conditions must be fulfilled before any satisfactory progress can be made in the country in these directions. Assurance of gainful employment for anyone who seeks work must be secured.

<sup>12</sup> Ibid.

Without it, none can lead a good life. Without it, there can be no spiritual upliftment either. To provide the essentials of a good life to the teeming millions of the country is a vast undertaking, and the achievement of this goal may still be far off. Nonetheless, the Third Plan attempts to provide the basic social order for sustained economic progress and spiritual unfoldment of the downtrodden, poverty-stricken people, scattered in millions of small and isolated villages, besides inculcating conviction and optimism in the industrial community of the country.

The Second Five Year Plan failed to tackle satisfactorily the country's unemployment problem. The task was colossal. Two per cent per annum growth in population produced far more workmen than could be absorbed in the expanding labour market of the country. Larger number of people got employed during the quinquennium but the severity of the problem did not decline. About eight million additional jobs, of which six and a half millions were outside agriculture, were created during the period; still the backlog of unemployment swelled to nine million, and fifteen million persons were willing to take up additional work. The Third Plan is likely to absorb at least the seventeen million new entrants under various projects and the intensity of under-employment may decline, but no assurance has been forthcoming to suggest that the existing backlog of unemployment would dissipate during the period. That is disappointing. But the dim prospect of providing gainful employment to every willing worker through intensive industrialization has led to the experimentation on Gandhian lines. For tackling the unemployment problem during the Third Five Year Plan, importance of local and regional areas has been accentuated so that their natural endowment, skill and capital could be discovered and fully utilized. Local talents and natural production possibilities of the rural areas have been assigned a significant role specially with reference to the unemployment situation in the country. At present, rural artisans and craftsmen are distributed in a large number of scattered villages. They have a low standard of literacy. Their technical knowledge is poor. Their machines are antiquated. Production centres have unsuitable locations. If the regeneration of Indian economy is expected soon, not only the basic facts of

rural life should be recognized, but attempts should also be made to build up the economy without disrupting the existing framework. "The unemployment problem in each State," the Third Plan indicated, "should be broken down by districts and at each level—village, block and district—as much of it as possible should be tackled. Such an analysis of local employment problems would enable the authorities to focus attention on and to raise resources for dealing with specific aspects, e.g. unemployed artisans and agricultural labourers, educated unemployed etc. Since the problems in different areas are necessarily different, the unemployment approach at the area level will have to be worked out with a certain measure of flexibility to suit local conditions and resources."<sup>13</sup>

While discussing the way of tackling the unemployment situation in the country, problems such as the significance of rural industrialization, the manner in which the technological innovations could expand their tentacles to self-contained villages without spoiling their idyllic felicity, have been given serious thought. Rural electrification, which has been assigned priority in the Third Plan, may not only encourage and facilitate the growth and expansion of village and small-scale industries, provide greater employment opportunities and impede the swelling migration to urban areas, it may also open the portals of isolated villages to the onslaught of relatively stronger impact of international markets and tempt the innocent people to the demonstration effect of the industrial civilization and rob them of their happiness. To tread the razor's edge may be difficult, but not impossible. If rural electrification could be integrated with the small-scale industries, the villagers could have probably the best of both the worlds. If the life of the individual is not disintegrated, and a wall is not raised between the household and the factories, many of the evils of the situation can be avoided. The emphasis on rural electrification, on village and small-scale industries as well as on several other measures relating to agriculture, are expected to create a happy life in the rural areas.

During the Third Plan period, village and small-scale industries are encouraged not only because of their large

<sup>13</sup> Ibid., p. 161.

employment potential ensuring a more equitable distribution of national income, but also due to their impact on the social organization of the village life. As a result of the development of village industries, disparities in the level of inter-regional development in the country may also be reduced and benefits of industrialization evenly spread out. Industrial development in India is expected to raise productivity of both, the rural and the urban industries, without creating industrial cities at the cost of rural development. Each unit and every region must discover their natural endowment and develop centres or nuclei of industrial development so that each spot in the country could be vibrant with different forms of economic activities so as to provide to every individual who wanted and to every locality which had the potential adequate opportunity and facilities to grow and to earn a decent standard of living.

In Indian villages, emphasis on rural industries such as hand-pounding of rice, oil-seeds crushing, tanning and leather industry, match-making, production of gur and khandsari, bee-keeping, hand-made paper, soap and several other village industries will enable them to make these articles within the framework of the rural economy. Community Development Programmes emphasize the need to grow more within the framework of the ancient village structure. What is known as the *Panchayati Raj* or the democratic decentralization of the ancient days, forms the backbone and gives vitality to the rural life. Under the *Panchayati Raj*, economic enterprises, social changes, justice and law as well as the maintenance of moral and spiritual values are guided and regulated by those persons of the village in whose wisdom and integrity of character the people have confidence. After all, the 'rich are the trustees of the poor, the wise of the ignorant, and the aged of the young.' Such ideals are being fostered by the Community Development Programmes which have highlighted the role of the village *Panchayats*, *Panchayat Samitis*, and *Zila Parishads* in the economic growth of different regions. Community Development has stressed the development of local initiative, responsibility and cooperative self-help. This is designed to serve as the spearhead to a wide range of programmes of development, including agriculture, cooperation, irrigation, village and small-scale industries, rural electrification and several

other agrarian reforms. Community Development Programmes are expected to bring the benefit of industrialization without destroying the traditional organization of the village and without disrupting the relationship between the individual and the society.

The Third Five Year Plan is expected to increase national income by more than five per cent per annum. The benefit of this growth will not be concentrated in a few hands owning the big industrial concerns, or managing giant chain-stores. For attaining this level of growth, it may be necessary to set up and to expand heavy electrical plants, steel projects, heavy chemicals and fertilizer plants, production of drugs and pharmaceuticals, as well as transport and communication facilities, but in order to provide equal opportunity and national minimum income to every individual, large-scale enterprises will have to be balanced by village and small industries which will augment the wages of rural artisans and craftsmen and will encourage indigenous production and village self-sufficiency. The Third Plan attempts to resist all types of monopolistic concentrations and oligopolistic tendencies in large-scale industries. Where such regulations are not possible or desirable, those concerns might be taken up in the public sector. The gap between the rural and the non-rural incomes will be counter-balanced by the increase in agricultural productivity, reduction in the dependence on land, and diversification of the economic structure in rural areas. An agricultural price policy, which is both fair to urban consumers and which fully safeguards the farmers' interest may also reduce the gap between the two.<sup>14</sup>

The outstanding feature of the economic development of India during the last decade or so has been neither the high rate of capital formation nor the accelerated tempo of industrialization and provision of large employment opportunities, though all these were achieved to a great extent. The most important contribution of the planning efforts during the period has been the assigning of new values to non-economic factors such as the dignity of man, democratic decentralization of administrative powers, mobilization of large-scale voluntary labour for nation-building activities, and encouragement of village and small-scale industries to spread out the gains of material prosperity in the

<sup>14</sup> Ibid., p. 17.

country. The First Plan laid down the foundation of 'human values', which provided the basis for the formulation of the Socialist Pattern of Society as the long-term objective of the economic development. During the Third Plan, this objective has developed the task of providing conditions of 'a good life' for every individual. The Third Plan Report has unambiguously stated that "at all times there should be due stress on moral, human and spiritual values which give meaning to economic progress".<sup>15</sup>

The ethical consideration is the *summum bonum* of the Indian approach to life and that is what Gandhi, in all his efforts, endeavoured to establish. How far his efforts have fostered the traditional values and have provided opportunity to the down-trodden for enabling them to express their creative faculties, how far the individual has been sacrificed in the mad race of industrialization and how far the Planners have succeeded in synthesizing the impact of science and technology of the modern world with the moral and spiritual values of the ancient Indian civilization, only posterity can decide. At present, however, it can only be pointed out that the current trend of economic development in India, in spite of apparent 'contradictions' and 'failures', shows much preoccupation with the provision of those conditions which are necessary for the "good of all". In the language of a great ancient philosopher, the end is the harmony of earth, heaven and man. Quoting *Ishopanishad*, Gandhi once said, "Earn your crores by all means. But understand that your wealth is not yours; it belongs to the people. Take what you require for your legitimate needs and use the remainder for society."<sup>16</sup> In this profoundly spiritual attitude to the ordinary behaviour of earning one's living, there is the seed which will sprout and develop in such a way that the glory of the land will be regained, and in this process itself a heaven on the earth will be established. The individual in such a society will have regained his divinity. That is the ultimate destiny—the final harmony—of this land. How long will the journey take, no one can speculate; but this much is certain that the country, under the inspiration of Gandhi and the Gandhians, is marching in the right direction.

<sup>15</sup> Ibid., p. 18.

<sup>16</sup> Harijan, February 1, 1942.

## GLOSSARY

<i>Adhyatma-Vidya</i>	:	The Science of the Self, The knowledge of the Soul, Spiritual Knowledge.
<i>Artha</i>	:	Money, Wealth
<i>Artha-shastra</i>	:	Economic Science.
<i>Ashrama</i>	:	Hermitage, One of the four religious orders referable to the different periods of a Caste Hindu's life.
<i>Atma</i>	:	Soul, Self, Ego.
<i>Bhoo dan</i>	:	Land Gift.
<i>Brahmacharya</i>	:	Celibacy, Chastity.
<i>Brahmacharyashram</i>	:	The period of studentship spent by a Caste Hindu under the guidance of a personal teacher.
<i>Brahman</i>	:	The highest among the Caste Hindus.
<i>Charkha</i>	:	The Spinning-Wheel.
<i>Chamar</i>	:	Cobbler, tanner.
<i>Daridranarayan</i>	:	God in the poor.
<i>Dharma</i>	:	Righteousness, Religion, Law, Duty.
<i>Dusadha</i>	:	A low caste Hindu whose main function is that of a watch and ward.
<i>Fakir</i>	:	Mendicant.
<i>Firman</i>	:	Royal Command.
<i>Grihasthashrama</i>	:	The life of a house-holder. The second stage in the life of a Caste Hindu when he gets married and maintains a family.
<i>Harijan</i>	:	A name given by Gandhi to the Sudra community. Literally it means God's men.
<i>Julaha</i>	:	Weaver caste.
<i>Karma</i>	:	Action, Destiny, Fate.
<i>Kama</i>	:	Passion, Desire.
<i>Khadi</i>	:	Handwoven coarse cloth.
<i>Kriyamana</i>	:	Present performance of work.
<i>Kshatriya</i>	:	The warrior caste among the Hindus.
<i>Kurmi</i>	:	A caste among of the Hindus whose main profession is farming.
<i>Koiri</i>	:	A caste among the Hindus whose main function is to grow vegetables.

<i>Langoti</i>	:	A rag of cloth tied round the waist.
<i>Lokayat</i>	:	Material Science.
<i>Mallah</i>	:	Fisherman.
<i>Menon</i>	:	A non-Brahman community of the South Indian Hindus, corresponding to the Kshatriyas of the Hindu Varnashrama.
<i>Moksha</i>	:	Liberation, Salvation, Freedom from the wheel of birth and death.
<i>Nirvana</i>	:	Liberation from the bondage of existence, Liberation, Eternal Bliss.
<i>Nonia</i>	:	A caste among the Hindus whose main function is to prepare salt.
<i>Nair</i>	:	A south Indian non-Brahman community whose main occupation is business.
<i>Panchayat</i>	:	A village Assembly.
<i>Paramatma</i>	:	The Supreme Spirit, One Universal Soul.
<i>Parishad</i>	:	An assembly, A senate.
<i>Raj</i>	:	Rule, Administration.
<i>Rajput</i>	:	A clan of the Kshatriya community.
<i>Satyagraha</i>	:	Civil Disobedience, Passive Resistance.
<i>Satya</i>	:	Truth.
<i>Samiti</i>	:	Society, Committee.
<i>Sanchita</i>	:	Collected, Gathered, Hoarded.
<i>Sheikh</i>	:	A high-class Muslim.
<i>Sanyasa</i>	:	Abandonment of worldly ties, Asceticism, Monasticism.
<i>Shashtra</i>	:	Scripture, Code of Law.
<i>Shudra</i>	:	The lowest caste among the Hindus.
<i>Swadeshi</i>	:	Indigenous.
<i>Taluka</i>	:	District, A big landed estate.
<i>Teli</i>	:	Oilman.
<i>Vaisya</i>	:	The trader community among the Hindus.
<i>Vanaprastha</i>	:	The third phase of life of a twice-born Hindu,
<i>Varnashrama Dharma</i>	:	Caste System, Duty owing to one's position in the community.
<i>Yagna</i>	:	Religious sacrifice.



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